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# Latin America Report

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26 September 1984

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## INTER-AMERICAN AFFAIRS

### BRIEFS

ANDEAN PESO USE--The Andean peso, President Belaunde's initiative for a monetary unit of reference to make subregional trade viable under better conditions, will go into effect within 4 months, according to the minister of industry, Alvaro Becerra, yesterday. He recalled that the FAR [Andean Reserve Fund] took up the initiative, establishing tentatively that the Andean peso would have the endorsement of a "basket of currencies" with the SDR's that the IMF issues as reference standard. Minister Becerra made that announcement after declaring the seminar "Strategies for Development and Integration of the Andean Group" open. This ceremony took place at the Cartagena Pact headquarters. He repeated that the amount in the "basket" will be about \$50 million. This would facilitate commercial trade among the countries in the area "since it is impossible for us to be subjected to a currency (the dollar) that we do not control." He also reported that evaluation of the Andean peso will be the subject of an in-depth study at the next session of the FAR Board on 17 September. [Excerpt] [Lima LA PRENSA in Spanish 23 Aug 84 p 3] 7717

CSO: 3348/550

## ARGENTINA

### OPPOSITION'S HARDENED STANCE THREATENS SOCIOECONOMIC PACT

Buenos Aires LA NACION in Spanish 12 Aug 84 p 11

[Text] While ministers Troccoli and Casella are making permanent efforts to keep the coordination effort going, there have been evident signs this last week as to a hardening of the opposition around the three main issues: The budget, voting on the issue of the Beagle [Canal], and the previously mentioned socio-economic coordination effort.

This hardening in turn was marked by the rise of the parallel dollar and the inflation indicators. "The economic operators are still working on the basis of the standards set by inflation and the parallel dollar," said a political leader for whom those two aspects are a reality with which the administration must inevitably come to grips even though it may run the risk of paying a high political price for that.

If relations between the administration and the opposition become tense to the point of threatening the coordination effort, this will in turn give rise to a situation where calm is lost on both sides and where mutual accusations are hurled, with the inevitable consequence of misunderstandings, clarifications, denials, and new clarifications.

The language used in these responses and counter-responses was not always clear; neither were the intentions always clear. In any case, a certain forgetfulness in the wording and mistakes was detected on the part of those who think they have the right to criticize everything and everybody but who do not agree that they themselves are subjected to any kind of critical analysis or attack of any kind.

Complaints from the opposition point out that, while Troccoli and Casella try to do some coordinating--they admit that both are more than acceptable conversation partners--there appear to be those others who permanently rule out that possibility. They even speak of two lines, not only in the administration--where cutting remarks invariable are aimed at German Lopez--but also in the Ministry of Labor, particularly in the National Directorate of Professional Organizations and in the Department of Labor Relations.

#### Charges

The recent charges made by Sanmartino against Minichilo were the most immediate

and inevitable reference of the complaining opposition members. The subsequent reaction and the following clarification coming from Justicialism did not help much in clarifying the topic. Then, the presence of Sanmartino on the Budget and Finance Committee, during the briefing given by Minister Casella, caused the Justicialist legislators to walk out. In any case, the maturity of those who have the duty to legislate succumbed in the face of the attacks of what somebody called "political infantilism." Nor was there any lack of criticism directed against Sanmartino who, in the opinion of some of his fellow party members, had to pick another way to make accusations. "This is what he did now since he resorted to the National Investigations Office, as I understand it," said one of his fellow party members.

But the opposition--more specifically, Justicialism--combines this episode with the attempt made by the then Labor Minister Antonio Mucci, when he tried to strip the Temporary Standardizing Commission of the petroleum workers, while Diego Ibanez was negotiating on the labor union reorganization law with the administration.

The administration in turn maintains that "there is no guideline in these matters" and blames the situation on individual attitudes that do not have the backing of the bloc or the party. There was somebody who--because of a misreading of public statements--equated Sanmartino with Iglesias. One must not view these episodes as a confrontation with the president's strategy," said sources in the administration. Apparently at least some Justicialists are not very convinced of that and insist on saying that those who have "sinister intentions" are obstructing the coordination effort.

It is on this point that some are asking themselves what, if anything, was achieved due to political coordination, even though the relationship between the result and the cost of the operation did not create much enthusiasm at this time, a little more than 2 months after the document was signed. Union elections take up much space in the minds of those who detect difficulties in this new stage of coordination.

The situation of many leaders is not very strong, according to observers of the union situation as a whole. "Lorenzo Miguel has to confine himself to the battle for the Capital section of the UOM [metalworkers union] and will almost certainly lose the office of secretary-general; Ubaldini cannot be at all sure of winning in his union and those are not the only cases" it was noted in labor union circles.

A labor union movement worried about the next elections--most of the big unions will hold them in October--and caught up in a struggle that can take on a violent character, as happened in the UOCRA [Construction Workers Union of the Argentine Republic], where some serious episodes took place, does not seem to make up the best atmosphere for coordinating anything.

#### Last Resort

Apart from the ways and means involved, the insistence of Justicialism--or, more precisely, of the justicialist deputies, since this situation is not repeated in the Senate--on walking out and the violent events in the UOCRA are indicative of a nervousness which may have reasons that have not been fully explained.

A legislator recalled that, in spite of the strong disagreements between the



Radicals and the Peronists during the period of 1973-76, the Radicals never walked out. This is an extreme step. As such, its use is justified only in extraordinary circumstances. Otherwise, it turns into an unthinking attitude or it almost becomes a custom which is certainly not one of the best either.

The search for a coherent form of opposition also means a cost which, for justicialism, is difficult to measure. In relations with the administration, the most hard-line sectors seem to have taken the initiative, that is to say, both the right-wing and the left-wing Peronist sectors.

Official sources feel that the clearest example has to do with the voting on the Beagle. "The nationalist sectors and the left-wing sectors of Justicialism do not want the conflict to be settled. In the middle are those who do not want to pay the political price of a definition and they are swept along by the two extremes," said an official source.

However, a strong sector in Justicialism supported the thesis of Luder to the effect that the voting should be called by Congress, even though there are no statements as to the background of the entire issue.

But it is obvious that Justicialism, in this chilling of relations with the administration, is not finding a clear way either when it comes to picturing itself as opposition. First of all, we already have some pushing and shoving between the Justicialist high command and the party council. The former seems to be losing ground as a consequence of a rather pronounced do-nothing attitude. The latter, in addition to having its top authority in the country basically worried about the internal labor union, announces the creation of commissions which are then given over to individual initiatives, in a kind of political "go-it-alone attitude."

Finally, everybody seems to agree on postponing the Justicialist congress to the end of the year. Everybody seems to be waiting for the end of the labor union elections. And they are also waiting for some sign from Madrid. In some circles linked with Justicialism it is emphasized that such a signal is near and that it would have the characteristic of a move of political activities away from the party's lady boss. The skeptics are confining themselves to saying: "Let us see if this is going to be so."

#### Federal Coparticipation

In the meantime, in the middle of last week, Minister Troccoli took a new step also in order to do some coordinating although this step was aimed at another front. This involved the meeting with the Justicialist governors who are calling for a change in the federal joint participation system. It will not be easy to satisfy them, it is admitted in the administration, although it was added: "They must not push us to the brink."

In the meantime, everybody is really looking toward the budget and some people are doing some anticipating here. "If we do not arrive at an agreement and if the position of the Justicialist governors is not joined by some of the provincial parties, then the budget could fail in the Senate," was one of the statements heard in Congress. "If there is no budget, there will be no funds for the provinces either," came the reply from inside the administration to give everybody an idea of the situation's delicacy.



## The Solution in Tucuman

The Frondizi, Illia, Lanusse, and Bignone administrations had their automatic police recall systems. The difference which some observers detect with respect to the episodes that have now taken place in Tucuman is that, generally speaking, those riots took place toward the end of the respective administrations. "The police appear to have a particular sixth sense that enables them to know when the conditions are right to enable them to bring those events about," said one of those observers who admitted that, in spite of the fact that the clashes extended over several days, the administration resolved the issue rather well.

For some government officials, on the other hand, the rioting of the police in Tucuman and above all the solution of the problem looked like a test of strength on the part of the administration. "Anything was liable to happen there," said one of the most important men in the administration who did not fail to praise the job done by the under secretaries of interior and of defense, Raul Galvan and Horacio Jaunarena, respectively.

"Although the conflict dragged out, it was resolved in a smooth way and that was not easy," said an official who added that there was speed and efficiency in response to the request from Governor Fernando Riera. "The request for assistance came at 1100 on Sunday; 12 hours later, there were men from the Gendarmerie and the Federal Police in Tucuman to preserve law and order," it was said at the Pink House.

The administration is sure that, in spite of everything, there was an interval between the demand and the means which the rioters used to state their case. "Wages appeared to be only a cover," it was said among official sources. The conviction in government circles is that this was "a kind of test" to measure what the response would be.

At any rate, we now come to the consequences of the problem, as demonstrated by the resignations from the office of Fernando Riera and the provincial police chief and deputy chief. Basically, the events at Tucuman also confronted the administration with the need for recreating those conditions which would enable it to cope with these situations--we cannot rule out the possibility that they might recur--with all of the resources legally available to it.

## Bilateral Relations

The conference in Quito between President Alfonsin and Vice President Bush, in spite of its protocolary meaning, revived the topics of bilateral relations. First of all, one of the possibilities that was taken into account this week was a possible sounding for a meeting between Alfonsin and Reagan. If this were to come about, the opportunity would be provided by the presence of Alfonsin at the United Nations General Assembly this coming September, a trip regarding which the president of Argentina has not yet made any final decision. It seems difficult however that, in an election year in the United States, Alfonsin should meet with Reagan and not with Mondale. The possibility of this trip also depends on the panorama emerging when the moment comes in the United Nations to vote on the topic of the Falkland Islands.

The Argentine administration intends to submit a draft resolution which is not very much different from the one submitted in the last 2 years. In other words, to insist, in a measured tone, to return the situation to what it was prior to 2 April 1982 and to the terms by which Argentina and Great Britain were urged to start general negotiations.

In the meantime, the United States is interested in the resolution of the Beagle conflict as a result of papal mediation. Protracting this vague situation could affect the credibility of the Argentin government when it comes to taking up other topics and even when it comes to getting more support.

The United States administration furthermore restated its positions with reference to nuclear policy. In that respect, the United States concern is not generated so much by the attitude of the current administration in Argentina but rather by other circumstances; as for the foreign debt, there is no reason to believe that, if the recent visitors to President Alfonsin advised that an agreement be worked out with the IMF, voices in the United States government will go the other way.

5058

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JUSTICIALIST LEADER ON PARTY'S SEARCH FOR NEW STRATEGY

Buenos Aires LA PRENSA in Spanish 13 Aug 84 p 6

[Text] Former presidential candidate Italo Luder expressed his hope that, within Justicialism, "a strategic action line would be drafted or revised in another few months"; looking at another matter, he noted that "it will not be possible" for the country to move toward broad coordination "without the formulation of an economic plan and without a categorical definition of negotiations with the IMF."

The former senator repeated his criticisms of the popular voting [plebiscite] on the issue of the Beagle which had been called for by the administration and government economic policy, maintaining that Peronism "must fall back on the historical front" before the next election.

Luder said that he does not believe "that he could be useful to Justicialism since he is the party's vice chairman" and "since the office of the chairman is not vacant," he added, with an obvious reference to Maria Estela Martinez de Peron; "he was fully aware of the situation as it involves this aspect, but for the time being all of this is nothing but political speculation."

He admitted however that he is "fully" devoted to party activities and he emphasized that "Justicialism has preserved something more important than its unity," denying that there is today a "possibility of a breakup."

"We hope," he said, "that, in another few months, through a procedure which will not be traumatic to anybody, a strategic action line will be drafted or revived."

That new action line, he explained, "will enable Justicialism to demonstrate, inside and outside the country, a posture which in certain sectors will restore something that was a rather reticent attitude."

The Country

As for the country's general situation, he felt that "so long as we cannot bring about an atmosphere of credibility and confidence, so long will it be impossible to activate the production machinery, to discourage the push from each sector for a higher income, and to start rebuilding the country's deteriorated economy."

He admitted that "what has been achieved in the area of freedoms and respect for opinions is a good thing; but with the same degree of objectivity I must point out that achievements in other areas of government are very scant."

"There is no economic plan," he asserted. "The country is paralyzed by worry about the rules of the game in economic matters and there has been a tremendous drop in investments over the past 8 months."

#### Commitment

He pointed out that "Justicialism is determined to be a constructive opposition which would mean strengthening the institutions."

"There is a commitment which applies to all Argentines," he emphasized, "when it comes to ensuring institutional stability, beyond the legitimate dissent that must exist in a democracy."

After alluding to "contradictions and inconsistencies" between high administration officials, he cited the different remarks made by Economy Minister Bernardo Grinspun, presidential advisor Raul Prebich, Central Bank President Enrique Garcia Vazquez, and Aldo Ferrer, the president of the Bank of the Province of Buenos Aires.

#### Coordination and the Beagle

He then said that "the topic of coordination is likewise not being taken up on the level at which it should be found since price and wage coordination is not enough; instead, we must go after much broader coordination."

As regards the plebiscite called by the administration on the papal proposal regarding the dispute over the Beagle, he said that "if we are talking, we must first have a consultation with the political parties, in order to get an opinion from them, regardless of what the administration itself will decide."

"Rather surprisingly and through a decree which was called unconstitutional," he continued, "The administration has decided on a plebiscite without first consulting the party chiefs which is what had been determined in the political agreement of 7 June."

Luder repeated that "Justicialism has tried not to make any difficulties for the national government and to promote its own political projects."

After outlining the various explanations given by the administration regarding the plebiscite, he stressed that "Strictly speaking and in technical terms, this is not going to be a plebiscite that is going to produce any decisions."

#### Justicialism

Getting back to the reference of the situation inside Justicialism, he expressed the opinion that, "If we are to have a reorganization in the party's action line, there has to be a resignation of one or several members of the National Council or their terms of office have to expire; that can be directed only by the specific quorum of the National Congress."

He pointed out that he held no party position at this time but he indicated that "I hope to hold on to the political room which my fellow party members and public opinion have pointed out for me, and that means assuming responsibilities which, on the other hand, I do not want to avoid."

Talking about the possibility that the two-party system in Argentina might grow stronger, Luder expressed the opinion that "there is already room for other political expressions," in addition to Radicalism and Peronism.

"The thing that is not easy to determine now is the size which those other expressions might achieve," he added.

"Justicialism will go out looking for independent sectors," he continued, "to broaden its political spectrum and I believe that Radicalism is already losing the support of the economic right and the political left, both of which will seek their own expressions."

In the final part of the discussion he stated that, in Peronism, "conditions are developing along with the need for making political room for the new generations of cadres."

"Reconstitution without any traumatic consequences," he concluded, "and unity are the insurance policy of justicialism for the next elections and will enable us to become a second alternative of power in a short time."

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PRESIDENTIAL ADVISER INTERVIEWED IN MOSCOW

PY271600 Moscow Radio Peace and Progress in Spanish 0000 GMT 24 Aug 84

[Interview with Argentine president advisor Aldo Tesio, who was invited to visit the Soviet Union by the committee in solidarity with Latin American countries, by Alselmo Septiem in Moscow--date not given]

[Text] Septiem: Doctor Aldo Tesio, no doubt the foreign debt problem causes concern to all Latin American countries. In your opinion, which are the principle negative aspects of the foreign debt and what is the formula for its solution?

Tesio: Well, this foreign debt problem is part of the bad inheritance we received from the de facto government that took over the country in 1976. But this problem has its analogies in all the Latin American countries, that is, as expressions of the Latin American peoples' submission to the great international banking system. The foreign debt is an instrument of oppression and domination of these peoples. There is no doubt about it.

In the past, the U.S. marines landed to bring the people under subjugation; now, there are other procedures, and this debt is one of those procedures. We have clearly stated: We are going to solve the foreign debt problem, but not at the expense of the workers of the country. And we are going to solve this problem together with all the other Latin American countries. As you know, the representatives of the Latin American peoples have met in Cartagena to find the outlines of a solution in accordance to their interests. I know that the problem is being discussed with the IMF, but not under a recessionary proposition, because the Argentines do not accept that the IMF tells us whether we can or cannot increase the workers salaries. We have said that every month salaries will be brought in line with inflation. You know that there is great inflation in my country, but this inflation cannot be paid by the Argentine workers. So we will compensate salaries with sufficient elements to make it possible to keep up with the standard of living we now have.

In Argentina, and in all the Latin American countries, we can feel the pain of every half point of additional interest that the U.S. banks, the imperialist banks, are charging us, retarding our liberation. So we have said this: We will not pay this heavy interest rate, because just one half of a point of interest over \$45 billion amounts to almost all exports of Argentine meat.

We will not accept this and we have said it clearly that we will pay the foreign debt over a period of time permitted by our peoples' normal way of life, without making restrictions. The imperialist and usury-charging banks should know that in no way will we accept the payment of increasingly higher interests, and that, if necessary, Latin America as a whole will stand up to these banks. The final lesson might be the bankruptcies of these banks, rather than the lowering by Argentines of their standard of living and the slowing down of their country's development.

You have just heard the second half of the interview Anselmo Septiem has obtained from Argentine presidential adviser Doctor Aldo Tesio. At the same time and in this same program, tomorrow you will be able to hear the third part of this interview.

CSO: 3348/570

BRIEFS

UNEMPLOYMENT FIGURES--Unemployment in Barbados rose 2.1 per cent in the second quarter of the year, a government statement said. At the end of June, the jobless rate was 17.8 per cent, up from the 15.7 per cent at the end of March. The figure was also 3.3 per cent above that for the second quarter of 1983. Unemployment among women, which was higher than among men at the end of June 1983, rose sharply during the 1984 second quarter to reach 24.2 per cent as against 18.5 per cent last year. Male unemployment, on the other hand, jumped from 11.2 per cent in June 1983 to 12.4 per cent, the release said. The working population stood at 90,800 at the end of June, a decline of 5,700 persons from the June 1983 figure. Of this total, 52,200 men were employed and 38,600 women. The labour force fell by 2,400 persons from 112,900 in the 1983 period to 110,500 in 1984, while the total number of adults not in the labour force increased from 62,800 over the same periods, the release said. The labour force, as a percentage of total adults, fell from 64.3 per cent in 1983 to 62.5 per cent in 1984. [Text] [FL310146 Bridgetown CANA in English 1914 GMT 30 Aug 84]

HOUSE SPEAKER--Ruling Barbados Labour Party (BLP) parliamentarian and one-time cabinet minister Lindsay Bolden was today elected Speaker of the House of Assembly at its first sitting after the annual summer recess. The nomination of Deputy Speaker Bolden, a lawyer who has been an MP for 14 years, was approved by both his BLP colleagues and parliamentarians of the opposition Democratic Labour Party (DLP). Bolden has been acting in the post since former Speaker Burton Hinds took ill in December 1982. Hinds resigned from the house in May. [Text] [FL042102 Bridgetown CANA in English 1036 GMT 4 Sep 84]

CSO: 3298/1100

BACKGROUNDS OF PRESIDENTIAL CANDIDATES MALUF, NEVES VIEWED

Rio de Janeiro MANCHETE in Portuguese 25 Aug 84 pp 8-13

[Article by Celso Arnaldo, Teresa Goulart and Luzia Salles: "Maluf, Tancredo, These are Their Lives"]

[Text] With the candidates determined, the race for the indirect elections begins, a veritable political marathon (with obstacles) that will last until January 1985, in the direction of Planalto, Tancredo and Maluf have made their start on this test of technique, stamina and malice, preparing for television debates, press interviews and speeches, seeking to win the hearts and minds of the members of the Electoral College. MANCHETE presents the life and determination of the men, who today vie for the presidency of Brazil, in this article.

Maluf

Once upon a time there was a Christian youth named Salim, who lived in a Beirut dominated by Moslem Turks. The father, a doctor, found it enormously difficult to practice his profession. Salim wanted a better life for his children, when he had them. When he was 17 years of age and had a fistful of dreams, he received a letter from Sao Paulo, the new Eldorado. With the fever of coffee, money sprouted in the middle of the streets. The letter ended with a call: "Come." Salim arrived in Santos in the hold of a third-class ship with 30,000 reis in the pockets of his only clothing, enough for a couple of not very sumptuous meals. He then found out that money did not grow on trees and much less in the middle of the streets. In order to earn it--and in fact there was much money to be earned--it was necessary to work. Sao Paulo was never forgiving with the lazy. Salim began at the lowest level possible, cleaning the floors of the family who sent him the letter. Later he learned to make shirts. Finally, he began to enter progressively into the lumber business. Sao Paulo was growing in all directions and upward. When Salim died 33 years after receiving the letter which could change the history of the country that took him in, he left a fabulous fortune. However, the fable of the Malufs was just beginning. On that Christmas day 1943, when Salim closed his eyes forever after lunching serenely with his family, a 12-year-old youngster named Paulo cried desperately--even today he is moved to tears when he recalls the untimely death of his father.

He was a very, very rich little boy, who could study in the best colleges of the country and do everything he wished. He also had a fistful of dreams. One day he decided to be nothing less than the president of Brazil. However, he always knew--and the example of his father guides his steps today--that nothing falls from the heavens. It was necessary to work, no longer beginning at the floor like his father, but from bases of support. He was vice president of the Business Association, president of the Savings Bank of Sao Paulo, secretary of transportation, prefect of Sao Paulo, president of the Business Association, governor. The strategy of those steps was good. Paulo climbed one while thinking of the next. It is a journey that has already lasted 17 years on the way to the final step: the Presidency of the Republic. He acts with great stubbornness, even with obsession say his detractors, who are not few, but mainly because of what he believes is his predestination. He does not retreat, even from great and apparently insurmountable obstacles, the greatest of them being the rejection by public opinion. Even though he can eat caviar every day, he has learned to swallow insults and suffer humiliations. All this so as to be able to arrive at the final step.

Paulo Maluf always attributed his ability to divide his time up in the most efficient way possible to the 8 years he spent in the Sao Luis College. He maintained himself as one of the best students of the class, but not necessarily the best, from 1942 to 1949.

"In fact he was not a brilliant student," recalls Father Paulo de Tarso Nacca, prefect-general and Maluf's rector in Sao Luis College in 1949. "However, he was always among the top students."

From Sao Luis he went to the Polytechnical. Exact sciences were decidedly the preference of Paulo Maluf and the Polytechnical School--first engineering school of the republic, founded by Antonio de Paula Santos in 1893--was his natural choice. Sao Paulo, which today has 38 engineering schools, had only two at the beginning of the 50's: The Polytechnical and the Mackenzie. The old school on Tiradentes Avenue--today operating on the campus of the University of Sao Paulo--had an irresistible attraction.

In addition to the high quality of its teaching and its students--who received classes from even foreign professors in the original language--the Poli was always a storehouse of leaders of Sao Paulo. From its benches came no fewer than eight prefects of the city: Luiz Anhaia Mello, Henrique Jorge Guedes, Francisco Prestes Maia, Jose Carlos de Figueiredo Ferraz, Olavo Setubal, Reinaldo de Barros and the present prefect, Mario Covas and...Paulo Salim Maluf; three governors: Armando Salles de Oliveira, Lucas Nogueira Garcez and... Paulo Salim Maluf, who will be the first president if the Electoral College chooses him.

It was not an accident that the selection process for the Poli was the most rigorous in Brazil. There were oral and written tests by severe examiners. Maluf passed with honors, and he won a prize from his mother--a Jaguar, the first Jaguar in Sao Paulo. But he never managed to tame the motor. Someone told Dona Maria that the automobile could do 200 kilometers per hour. Paulo had to rid himself of the car immediately--he made 60 contos on the resale.



After the death of his father, Roberto, the elder brother, then 18, assumed the management of the businesses, among which was the profitable sawmill Americana.

He was advised by officers trusted by Dona Maria and he wanted to place his personal stamp on the businesses of his father, however, the sawmill was doing so well that it was not necessary to change anything. Roberto comforted himself by being a city salesman. However, he took after his father and later would pass on to his youngest brother--"we are Siamese twins," he said--a good business sense.

An acquaintance appeared in his office one day, accompanied by a man who was to be recalled sadly later on: Moises Lupion. He came to propose an emergency transaction. He would give 200 traincar loads of good lumber from Parana, if he would pay some notes which were due within an hour. Roberto did not know Lupion. However, he remembered that years before he saw his father place his hand on the shoulder of another. The hand on the shoulder was for his father a code of friendship and trust, a sign which never failed. The deal was closed. A few days later, the lumber which was delivered as promised, quadrupled in price. A year after he graduated in 1955, Paulo Maluf married Silvia Lutfalla, his neighbor on Arthur Prado Street. The good neighbor policy also had good results in the life and career of the presidential hopeful. A successful businessman, he was already thinking of entering public life. On the eve of the 1964 Revolution he assumed the vice presidency of the Business Association of Sao Paulo, position to which he was taken by Roberto's father-in-law, Eduardo Saighi. It was already a position of prominence, as will be seen further on. However, the other step came later. A friend of the Lutfalla family, Dona Lorreta, was the neighbor of a general who was serving in Sao Paulo. His name: Arthur da Costa e Silva. Loretta brought Costa e Silva and the Lutfallas together through a series of lunches.

In addition to that, the elder Lutfalla had a racing stallion which sired unbeatable purebreds. The general loved to bet on those champion offspring at the races at the Jockey Club--they were sure things. However, Costa e Silva also felt attracted by the young businessman. He admired the dynamism and vivacity of Maluf. Shortly thereafter, in 1967, when he was president, he invited him to take one of the third echelon positions of trust: The presidency of the Savings Bank of Sao Paulo.

He did not leave the presidency of the bank until April 1969 to assume the position of prefect of Sao Paulo. Two years later, Laudo Natel invited him to be his secretary of transportation, not suspecting that Maluf himself would defeat him disastrously 7 years later at the famous convention of the ARENA [National Renewal Alliance] party. Before that however, came the administration of Paulo Egydio, a well-known political enemy of Maluf. There would follow 4 years of limbo. But that would not remain that way. The strategy of reaching the top required a series of successive steps. Maluf then ran for the presidency of the Business Association as if he were running for the presidency of the republic. The president of the Business Association is also the president of the Federation of Business Associations, a spearhead for penetration of the interior. Maluf put his team together, coordinated by his faithful shield bearer, Calim Eid, and he asked all of them to roll up their sleeves--he won 80 percent of the votes in the 1976 election. Is it a political position? "That depends on the political leadership of the person who holds it," says the present president of the association, Guilherme Afif Domingos, who was the secretary of agriculture in

the Maluf state government. "However, thanks to the campaign, Maluf acquired the 'knowhow' of elections in closed colleges." Afif, one of his closest collaborators, is certain that Maluf will necessarily be a good president. "He is the only one who cannot place the blame on the IMF. Whoever does not have popular support has a better chance of winning." The Tancredo versus Maluf contest "will be a ballgame. As of this 13 August, it begins at zero to zero. That election will be decided in the interior of Brazil and not in the halls of the state capitals. That is why Maluf has the advantage."

#### Tancredo

Sao Joao del Rei, the city-treasure located in the western region of Minas Gerais, becomes more famous with every step taken by its citizen Tancredo de Almeida Neves in the direction of the presidency of the republic. If it were up to each of the 80,000 inhabitants of that historic city, Tancredo would already be president of Brazil.

The saga of the Neves in politics begins in the second decade of the century, when Tancredo's father, Francisco Neves, today the name of the square with his name and bust in the middle of a garden, was elected general councilman to the first Chamber created in the city. However, Francisco died young at the age of 48 and Dona Sinha, (Antonina de Almeida) Neves assumed the responsibility of rearing and educating the many offspring--12 children, 9 boys and 3 girls. The second son, Otavio, inherited his father's position in the local council. Tancredo, the fifth in the family ranks, only entered politics in 1936, when the first election for the Municipal Chamber was held. The Chamber had been dissolved by the revolution of 1930. At that time he was 26 years-of-age.

As a child Tancredo began his education at the Joao dos Santos School Group. There are those who say, or rather it is he himself who says, that the person who started him on his public life was his primary school teacher, who discovered his gifts as a good speaker, who gave him all the class speeches to make. From that time on he never stopped. Later he went to highschool at the Santo Antonio Gymnasium, which was directed by Franciscan Fathers. None of the priests of the times of Tancredo still lives.

However, his prowess in school still lives. For example, not even because of his great capacity for learning was he an exemplary student. He created his disturbances, his grades were average and below, and a few times he was even threatened with expulsion from the school. However, since he was well liked, the priests "protected" him.

Tancredo arrived in Belo Horizonte in the 30's to study law and never again left the capital of Minas Gerais. Even after entering the Federal Chamber of Deputies and later the Senate, Belo was always the political center of his life and he returned whenever he had to replenish his energies or to fill himself with the principles which have guided his public life. The "world" of Deputy and Senator Tancredo Neves can be said to consist of the long talks on the balcony of the Perola Cafe at Praca Sete, where any self-respecting Minas Gerais politician makes his presence known, the interminable hours spent with friends in his apartment in the Niemeyer Building (a few meters from Palacio da Liberdade) or the calm weekends--quite rare--at the Mata Ranch in the municipality of Claudio in the western part of Minas. There, in the Guimaraes Tolentino Clan, Tancredo went to look for his wife in 1938, some months after having been driven

from public life by the "new order" of November 1937. The governor of Minas Gerais always lamented the little free time he has to spend on his ranch in Claudio, to whose population he is simply the "son-in-law of Dona Quita."

The rise of the public man was rapid. His father, Francisco Paulo Neves was very close politically to Dr Augusto Viegas, a prominent man in Sao Joao del Rei, who wound up being some sort of intellectual and political godfather to Tancredo. After he graduated from Law school at 22, Tancredo Neves managed to obtain the appointment of public prosecutor in Sao Joao del Rei, thanks to the nomination by Dr Viegas. Two years later, in 1934, there were elections and Dr Viegas decided to make him a councilman.

In Sao Joao, Tancredo was elected without difficulty and then assumed the presidency of the Municipal Chamber. He was still in that post in 1937 when a telegram arrived advising him that all parliamentary chambers were dissolved and all mandates abolished. He was 27 years of age and a lawyer by profession, which profession he decided to exercise. Once more helped by his godfather, who was also a lawyer, he set up an office and distributed his professional time, taking cases which provided him with a good income. He also became a lawyer for the railroads of the Rede Mineira de Viacao [Minas Gerais Transportation System], which was owned by the state. In 1938, when officials of the system went on strike, he wound up in prison with the leaders of the movement. He was in jail for 48 hours, but well treated. In 1947 he returned to politics. Dr Viegas was elected to the National Constituent Assembly and Tancredo became a delegate from Minas Gerais for the Social Democratic Party. With the passage of the 1947 Constitution, Tancredo was elected leader of the party and of the opposition to Milton Campos in the new Legislative Assembly. In 1957 he became involved in Federal politics and from that time on his career is known.

There is a description of the politician Tancredo Neves, which is very close to the truth. It is that which says that he was always "the pointer on the scales of democracy in Brazil." Balancing the weights and measures of Brazilian politics, he also maintained his balance during all these years. As a person, the description is that he himself makes: "I consider myself a common man without a trace of the extraordinary. My virtues are few and far between but neither do I have to be ashamed of my shortcomings." Considering himself one of the most typical and traditional natives of Minas Gerais, Tancredo Neves confesses "an enormous pleasure in living in the median, in mediocrity," which according to him means being a person without the desire to excel or be outstanding. "Events in my life take place naturally without me forcing them; without me creating them of my own will. They take place during the course of my own destiny." Despite the fact that he has always been in the headlines of newspapers, he confesses that this never made him a celebrity. "I did not allow myself to be overcome by publicity, but I understand that this is a requirement of modern life. All of us, particularly public men, have to give newsmen this cooperation."

In the open world of the governor of Minas Gerais, there is only one thing he keeps under lock and key: His private life, which he tries to safeguard to the maximum. Tancredo Neves confesses that his greatest confidant is also his wife, with whom he has lived for 40 years. Very discreet, Dona Risoleta Neves declares that living with the governor "was always marked by a climate of cordiality, understanding and reciprocal tolerance."

When they were married, Tancredo Neves was already a politician. "During all this long period I followed the day to day of his public life, the good times and the bad times, the moments of success and of failure. I became accustomed to his style in that manner, his temperament and his indefatigable activity. What I do is not upset him, helping him in every way I can."

Tancredo, like all his family, is very religious. An honorary minister in the Brotherhood of Sao Francisco de Sao Joao del Rei, he tries to participate in the commemorations of Holy Week in his own city every year. His patron saint is Saint Francis of Assisi, of whom he has a valuable collection of paintings, now on loan to the Sacred Arts Museum of the city.

Although the family does not have a large fortune, the wealth of Neves is not minor. In his land Tancredo has the family mansion, some landholdings, a ranch which his wife Dona Risoleta inherited in the Municipality of Claudio (two and one-half hours from Sao Joao del Rei) and the majority of the stock of a local radio station, Radio Sao Joao del Rei, S.A., of only one kilowatt. The tiny radio station reaches nearly 40 small towns nearby and has programming which ranges from country music to Michael Jackson and from political debates to children's programs. Obviously it supports Tancredo Neves unconditionally.

Another part of the "world" of Tancredo Neves is Apartment 1102 in the Niemeyer Building in Belo Horizonte, which is filled with marks of the past and has an even symbolic importance in the life of the governor of Minas Gerais. Tancredo was sworn in as governor of Minas Gerais there to the sound of reveille played by the bugle of a fireman standing on a Magirus firetruck. He walked, followed by the people, the few meters to Palacio da Liberdade. His office is still filled with souvenirs: books, certificates, medals and paintings by the painters he likes the most. All remains intact, just as it is going to be kept, even if during 1985 he goes on to occupy a more important address: the Palace of Alvorada.

8908

CS0: 3342/151



RESISTANCE OF CABINET MEMBERS TO MALUF CANDIDACY VIEWED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 19 Aug 84 p 6

[Article by Carlos Chagas: "Ministers Seek Distance From Maluf"]

[Text] Has the government given its support to Maluf? The first impression is that it has. After all, the candidate was received in audience by President Joao Figueiredo on Monday, which was followed by a happy collective interview granted by him to newsmen at Planalto Palace, where he was presented by a restrained Minister Leitao de Abreu and by a smiling Minister Ibrahim Abi-Ackel.

In that duality of ministerial expressions perhaps lies the key to the answer. The government did not give its support to Maluf. Certain ministers are giving their support to Maluf isolatedly, while others resist. Some even show some reticence toward him. A day after being with Figueiredo, Maluf began a tour of the esplanade of the ministries, that will end this week. At the Executive offices he also met with four ministers of the household, all of them cautious in their dialogues. Since it is from there that there are coming indications and rumors that the government may make a complete turnaround in the process of succession, proposing the immediate return to direct elections to Congress, the picture becomes complicated. The main advisers to the president are with Maluf, since Rubem Ludwig of the Military Household, Danilo Venturini of Land Affairs, Octavio Medeiros of the SNI [National Service for Intelligence], and even Leitao de Abreu of the Civilian Household, congratulated him on his victory at the convention and praised that democratic "conquest." None of them, however, expressed enthusiasm or promised to work officially in his favor. Leitao even confessed himself to be annoyed at having appeared at the side of the candidate at the collective interview in a statement to Nelson Marchezan. If the theory of immediate direct elections prospers, it will be because of the efforts of the palace ministers.

All of them? No. There remains one, it is heard, who months ago supported Maluf nicely. It was Delfim Netto, who has a special relationship with Paulo Maluf, because after a few weekends spent in Sao Paulo since the beginning of the year, they have ceased to meet. The minister-chief of SEPLAN [Secretariat of Planning] will certainly be opposed to the possibility of immediate direct elections, but aside from advice, he is not providing anything else to his favorite. There was even a meeting by Delfim with Tancredo Neves some days ago in Rio. Because of doubts, the minister decided to check to see who has the best chance, even if he is from the opposition.



From Tuesday until yesterday, in addition to the palace ministers, the following were also visited: Ibrahim Abi-Ackel, Walter Pires, Waldir Vasconcelos, Cesar Cals, Jarbas Passarinho, Murillo Macedo, Ernane Galveas, Haroldo Correa de Mattos, Cloraldino Severo and Nestor Jost. With the exception of the minister of justice, who ordered his officials to line up to greet the candidate, and the minister of labor, who saying he preferred being a Brazilian instead of a native of Minas Gerais, showing himself to be a Maluf supporter, the others maintained a cordial distance from Paulo Maluf. They are all with Carlos Atila, who announcing the support of the government to the former governor of Sao Paulo, stressed that he was speaking of political, personal or party support, never administrative. In other words, the state machine will not be placed at the service of Maluf.

Cesar Cals went beyond his colleagues by releasing an official note after the candidate left his office, announcing that he had obtained his complete support. In its text, the minister of mines and energy emphasized that he is examining the picture and that he needed to consult his bases. Jarbas Passarinho said he supported Maluf as a private person not as the minister of social welfare. Little is known about the military, but the minister chief of the Armed Forces General Staff [EMFA], as well as the minister of the army, have reiterated that the armed forces do not meddle in politics. They neither oppose nor work for candidates. Also amorphous has been the promise of Minister of Transportation and Public Works Cloraldino Severo, Minister of Agriculture Nestor Jost, Minister of Communications Haroldo Correa de Mattos and Minister of Finance Ernane Galveas. None of them vote in the electoral college or even have legislative blocs or groups of political influence. The minister of finance, as if granting a favor, promised to recommend to his deputy friends that they vote for Maluf.

The tour will begin again tomorrow with visits to Delio Jardim de Mattos, the minister of aeronautics, and to Minister of Health Waldir Arcoverde. With them and those who remain to be visited there will be a difference: they will thank Maluf for his visit and their words and promises will be amiable but they will remain where they have always been, outside the party fight and in no position to contribute even one vote. In case they were to be urged or it were to be recommended that they place their administrative machines at the service of Maluf, the shape of things would change, but as Mme Esther Figueiredo Ferraz, the minister of education, who incidentally has not yet been scheduled to receive her fellow countryman, only that which General Joao Figueiredo decided would be done. Up to now General Joao Figueiredo has only decided that Paulo Maluf should join his party at any of the places where political trips may take him. Maluf will not go with him in the presidential aircraft and will not even ride in the same automobile with him, practices prohibited by the zealous electoral law.

The majority of the ministers, except those who personally supported Maluf, show themselves to be uncomfortable with the candidate. Not only those who had publicly supported the candidacy of Mario Andreazza, but others, behave as if they were performing a bitter duty; a ritual, nothing more, also following the example of Gen Joao Figueiredo. This leads to the conclusion that the government is not supporting Maluf, at least not for the time being...

Things could continue as they are, half undecided, until the meeting of the electoral college. That is the most probable thing, since few admit the possibility of a formal involvement by those in power, first of all, because that has been the behavior of the president. He has been disinterested, aloof and apathetic and did not even do anything for Mario Andreazza, when he could easily have done so. Would he do so now in the name of the PDS [Social Democratic Party] and its unity as the honorary president and supporter of the party? It is not likely, since for him the PDS is not worthy of any trust, it even double-crossed him several times and, more importantly, it is made up of politicians and the politicians are not at the level of the people.

If he wanted to help the candidate, the president would have to change the ministers. He would have to place Maluf supporters in key positions, release the administrative machinery for the task of promising, threatening and even working with the 686 special electors. In addition to that, he would have to go to the public to say to the country on television, without intermediaries, without hesitation, that the government supports Maluf. Since he did none of that and there are no signs that he will do so, there appears a secondary conclusion derived from the first: the government will not support Maluf...

8908

CSO: 3342/149

POLL SHOWS GOIAS GOVERNOR MOST POPULAR, MONTORO LEAST

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 9 Aug 84 p 2

[Text] The governor of Goias, Iris Rezende, achieved the highest popularity rating in July, a +45, since the Gallup Institute began its surveys to obtain the opinion of the population on the governors of the 10 most populated states of the country. Another record was that achieved by the governor of Sao Paulo, Franco Montoro, who achieved a rating of -49 in popularity, the worst rating since June 1983, when the people of Sao Paulo gave their opinion on their governor for the first time. However, the worst rating among all the governors was not the only record set by Montoro. He also exceeded the unpopularity of President Figueiredo, -44, during the same period. The opposition candidate to the presidency, Tancredo Neves, was the one who most improved his image among the people of Minas Gerais, having risen from a -26 in April to -11 in July.

Of the 628 persons interviewed in 19 cities of Goias, 71 percent believed the Iris Rezende government to be excellent (31 percent) or good (40 percent), also the largest percentage of approval obtained up to now, and only 26 percent described it negatively. The difference among those percentages establishes a popularity rating of +45, thus maintaining Iris Rezende at the head of a select group of governors, who obtained positive ratings in public acceptance. He obtained nine points of approval more than in the previous survey made in April, when he had already reached a record rating of +36.

The next best popularity rating (+22) in July was that of Governor Esperidiao Amin of Santa Catarina, whose acceptance by the population of the state remains stable, having improved somewhat over that of April when he obtained a +17 (the improvement is due to a lesser percentage of disapproval, which 4 months ago was 39 percent; the 56 percent of excellent and good ratings was maintained). The other governor who maintained his positive popularity rating was Jose Richa of Parana with a +1. That rating, however, is the lowest for the Parana governor since the beginning of the surveys in June 1983, at which time he received a +11. That rating also represents an accentuated decline in his popularity; his best rating was reached in February (+21) but it declined to +4 in April. There were 674 interviews in Santa Catarina in 17 cities and 711 in 24 cities in Parana.

As of now, the one in fourth place in the July survey, Roberto Magalhaes of Pernambuco, maintains his popularity rating stable, although it is a negative -10. Nearly 51 percent of the 998 persons interviewed in 23 cities of Pernambuco described their government as average (40 percent), bad (5 percent) and very bad (6 percent), while another 41 percent believe it is excellent or good.

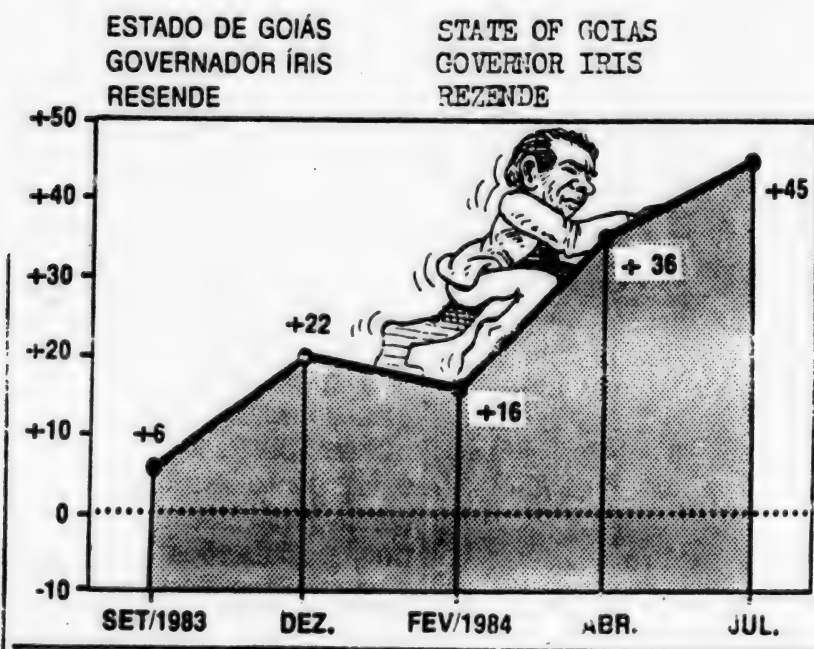
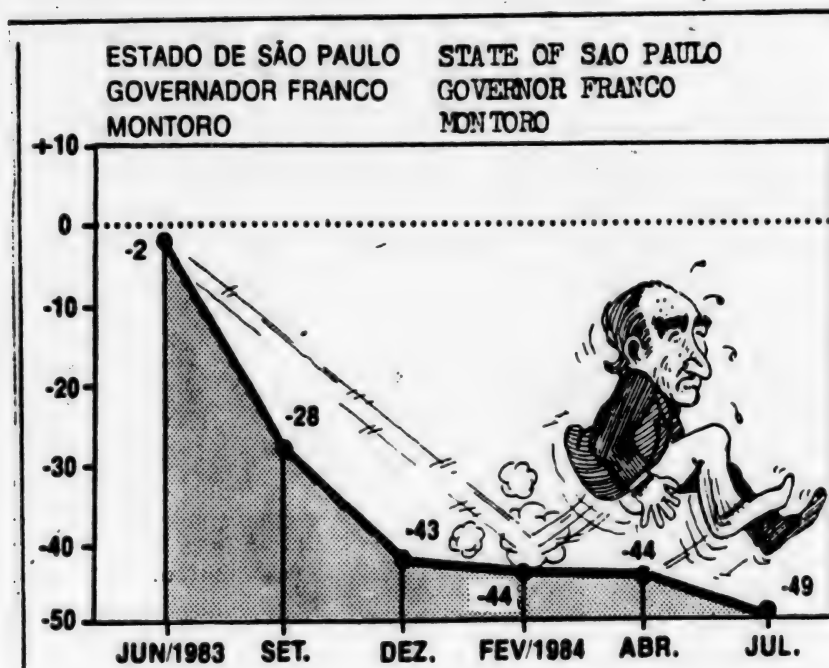
#### Tancredo, the Greatest Rise

The Democratic Alliance candidate for the presidency of the republic, Tancredo Neves, was in fifth place with a -11 popularity rating. Despite the largest number of negative ratings (48 percent) the governor of Minas Gerais was the man who obtained the largest difference (15 points) between his April rating-- -26-- and the July rating, when 1,001 interviews were made in 32 cities of his state. Even so, it indicates a great change in acceptance of their governor by the people of Minas Gerais, who also disapproved of Tancredo in February (-12), in December (-25) and in September (-13).

The other two governors, who remain in the intermediate bloc, also with negative ratings, were the governor of Rio Grande do Sul, Jair Soares (-17), and Ceara Governor Gonzaga Mota (-21). There is another similarity in the opinion of the population of their states: the popularity of both shows a decline with respect to April when the rating for Jair Soares was -11 and that of Gonzaga Mota was -17. The contrast is in the slow decline in the acceptance of Jair Soares since the first survey in June 1983, when he obtained the rating of +12 by comparison with the relative improvement of Gonzaga Mota, who had a -26 popularity rating in September. The 628 persons interviewed in 26 cities of Rio Grande do Sul gave 38 percent positive ratings to Jair Soares and 55 percent negative ratings, while 56 percent of the people of 734 persons from Ceara, who were interviewed in 16 cities, believe Gonzaga Mota to be excellent or good and another 35 percent were split up among average, bad and very bad.

Joao Durval had his government disapproved of in the 816 interviews held in 21 municipalities of Bahia, for a disapproval rating of -35. That rating is a decline with respect to his April rating of -26 and almost matches his February rating of -38, the lowest level of approval of his government. In July, 62 percent of the people of Bahia interviewed gave negative ratings to Joao Durval as a governor, while another 27 percent gave him positive ratings.

Leonel Brizola also had a popularity rating that was lower in July (-38) than in April (-31). Of the 1,025 persons interviewed in 15 cities of Rio de Janeiro, 67 percent disapproved of his government, classifying it as average (49 percent), bad (8 percent) and very bad (10 percent); the classifications of excellent (7 percent) and good (22 percent) were given by only 29 percent of those interviewed. This is not, however, the worst rating of the Rio governor, whose popularity fell to a -48 in February, the most accentuated decline in popular acceptance among the governors because the descending curve had its beginning point in June of last year, when he received a +17.





### Montoro Once More

In last place in the July Gallup Institute Poll, was the governor of Sao Paulo, Franco Montoro, with a -49. In addition to this record, which was lower than that of President Figueiredo in the same month, the 1,631 persons polled in 35 cities of Sao Paulo gave their governor the highest percentage of negative ratings, 71 percent, divided among average (51 percent), bad (11 percent), and very bad (9 percent). Only 3 percent believed Montoro to be excellent, while 19 percent described him as good. In February and April he had already obtained a -44 popularity rating.

8908

CSO: 3342/149

IBGE ANALYZES REASONS FOR INDUSTRIAL PRODUCTION GROWTH

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 16 Aug 84 p 36

[Text] The requirements of the agricultural sector and exports were the main factors responsible for the 5.08-percent increase in industrial production recorded by the Brazilian Institute of Geography and Statistics [IBGE] from January to June of this year by comparison with the same period last year. The transformation industry, also according to IBGE President Jesse Montello, grew 4.29 percent in the first half of the year, showing a continuous recovery since April. However, the sectors of domestic consumer goods and civil construction remain in a slump.

The mineral extraction industry, as usual, showed high rates of growth, recording a 29.18-percent growth in the period. The industry of intermediate goods, as a subsector of the transformation industry, showed a growth of 11.13 percent, followed by that of capital goods with 8.94 percent. However, the consumer goods sector underwent a decline of 4.14 percent in the half year, compared to the same period last year. Durable consumer goods fell 11.53 percent and nondurable consumer goods 2.68 percent.

Positive Factors

Pursuant to the analysis of industrial production indicators made by IBGE technicians, three factors weighed favorably on the behavior of industry: the demand from the agricultural sector, exports and the substitution for imports of petroleum. According to them, not only direct exports but also the demand for goods and services resulting from foreign sales and from agriculture, contributed to the recovery noted, primarily in the capital goods sector. In the case of agriculture, they point out, the increase in demand for machinery was due to "the combination of a good harvest and the increase in foreign and domestic prices received by the farmers."

In the same aspect, it is pointed out that the increase in production of fertilizers by the chemical industry "is probably because of the continuing program of substituting for imports together with the incentives to the agricultural sector."

## Poor Performance

The IBGE analysis adds that "the positive performance of those sectors was compensated for by the poor performance of products linked to the domestic market of consumer goods and the demands of civil construction.

"The localized nature of the recovery of the past 6 months is obvious," say the analysis.

In the presentation of the indicators, the IBGE introduced nine tables, which allow an evaluation of the influence of the various items in industrial performance. According to those figures, the demand of the agricultural sector had a share of 42.9 percent in the overall increase, specifically with reference to fertilizers, tractors, roads and harvesters. Next comes exports with a share of 34.6 percent with respect to iron and steel products, iron ore, tin and footwear. Substitution for petroleum by national production had a 12.4 percent share. As for negative factors, domestic demand for consumer goods had a share of less than 14.8 percent and that of civil construction less than 3.9 percent.

8908

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# WHEAT LOSSES MAY CLIMB DUE TO BAD WEATHER CONDITIONS

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 14 Aug 84 p 38

[Text] Losses in the national wheat crop, because of the drought which is affecting the producing regions of the northern part of Parana, Sao Paulo, Mato Grosso do Sul and Minas Gerais, are already greater than 350,000 tons. In Rio Grande do Sul, despite excessive humidity and the lack of direct sunlight, the crop is developing normally but the dangers of damage increase with every day of rain. This report is from the chief of the Wheat Marketing Department of the Bank of Brazil (COTRIM), Nilo Fensterseifer, and the president of the Regional Plains Wheatgrowers Cooperative Ltd (COTRIJUI), Rubem Ilgenfritz da Silva. National wheat production this year, which was estimated at 2.2 million tons, should be, because of a reduction of the area planted and because of weather problems, 1.85 million tons.

Mato Grosso do Sul, Sao Paulo, Minas Gerais and the northern part of Parana planted 710,000 hectares of wheat. The average yield, which was 1,500 kilos per hectare last year in the region, should decline because of the drought to only 1,000 kilos per hectare. Therefore, the production of the three states and northern Parana, which could be 1.06 million tons if the yield of last year were repeated, will be only 710,000 tons.

The crop planted this year throughout the country totals 1.85 million hectares, which is the same area as last year. Since the average yield of 1,000 per hectare should be maintained in all the other states, the CTRIN [National Wheat Marketing Enterprise] technicians believe it is fair to state there will be 1.85 million tons of wheat. Not counting the 350,000 tons for seed for the next crop, there will be 1.5 million tons for consumption. Brazil will have to import 4.5 million tons of wheat next year to take care of its needs of 6 million tons. At today's prices--the international price for wheat is \$150 per ton--this will represent a **spending of** \$675 million in foreign credits.

However, these numbers could grow if it continues to rain in Rio Grande do Sul. Not a single sack of wheat has been harvested there this year and the crop is beginning to enter the flowering stage. That is the most difficult phase, a time when the plant needs a dry, cold climate and much sunlight.

CTRIN technicians were expecting an increase in the area planted in wheat in Rio Grande do Sul this year. They even counted on an estimated one million hectares, compared to 682,000 last year. The area actually increased, but very little: it remained at 722,000 hectares. In their order of importance, according to Fensterseifer, there was a lack of resources for financing planting, good climate conditions (rain delayed work in the fields) and more encouraging prices.

Ilgenfritz da Silva estimates that when the farmer goes to sell his crop he will receive between 38,000 and 40,000 cruzeiros per 60-kilo sack of wheat, when the minimum corrected price needed by then should be 50,000 cruzeiros.

8908

CSO: 3342/149



## CHILDREN'S WELFARE COMMISSION ON SCHOOL DROPOUT PROBLEM

Havana GRANMA in Spanish 18 Jul 84 p 2

[Text] In accordance with its work agenda, the National Assembly's Commission on Youth and Child Welfare and Equal Rights for Women completed its study of the situation of young people between the ages of 13 and 16 who drop out of the national education system, for the purpose of determining the causes of this situation and its most characteristic features.

The Commission benefited from the cooperation of the Education, Sciences and Sports Commission, resulting in the formation of a working team made up of deputies from both commissions, advisers and experts. They were supported in their visits and tours of the provinces by members of the commission from each territory. Also participating were the Ministry of Education, the Ministry of Public Health, the State Labor and Social Security Committee, the Office of Attorney General of the Republic, the People's Supreme Court, the Central Planning Board, the Union of Young Communists, the Federation of Cuban Women and the executive committees of the local organs of people's government of the provinces of Cienfuegos, Sancti Spiritus, Havana, Villa Clara, Granma and Santiago de Cuba. These provinces were chosen in order to obtain information and experience about the work done in the different solutions to the school dropout problem, especially between the ages of 13 and 16, whose variations had to do with the specific situation in each county.

After a careful analysis of information received and of elements obtained from meetings, interviews and visits, the Commission published the following report:

The degree of development achieved by our socialist society has not yet made it possible to eliminate the phenomenon of school dropouts, but mechanisms can be created to complete work aimed at incorporating young people of school age into school classrooms and get them involved in socially useful activities.

There are young people between the ages of 13 and 16 who are not in school, although their number is ostensibly dropping, which would indicate the need to review the problem on the basis of more systematic work coordinated with government agencies and the political and mass organizations affected in order to apply measures aimed at helping solve this negative problem of great social and political connotations.

The lack of strictness and the carelessness of parents, tutors or guardians, difficulties that still exist in work done by the schools, the inadequate relationship of young people with their community and consequently, with the family and school, as well as insufficient attention and social and institutional control of school dropouts result in this negative phenomenon, with its resultant implications for our society.

In view of these elements, this report has been drawn up. Its objectives are as follows: 1) to describe the phenomenon of school dropouts; 2) to gather the necessary elements for an understanding of the problem; 3) to present a set of experiences that might be valuable in the implementation of practical measures; and 4) to propose recommendations resulting from the study.

## Current Situation of School Dropout Problem

### Status and Demographic Structure of School Population Between 13 and 16

#### School Situation

An analysis of the situation of the population between the ages of 13 and 16 can be made based on definitive figures from the 1981 Population and Housing Census completed by the State Statistics Committee and reflected in the school attendance analysis of the Ministry of Education in its summary of work for the 1982-1983 school year.

The population between the ages of 13 and 16 during the 1981-1982 period, which totaled 960,864, reflects an increase of 352,889 compared with the 1970-1971 period, when the total was 607,985. The increase in population between these ages leads to increased school needs and capacities, both material as well as human.

The population between the ages of 13 and 16 during the 1981-1982 period does not show substantial differences for each individual year group. There are 233,310 children 13 years old; 249,041, 14; 237,617, 15; and 240,906, 16, which enables one to analyze the school attendance of the population, making the respective comparisons with previous time frames.

#### School Attendance From 13 to 16

Out of the 667,985 children between the ages of 13 to 16 in 1970-1971, a total of 387,857 were registered, while 220,128 were not, meaning a 63.8-percent rate of enrollment. In 1981-1982, of the 960,864 children between the ages of 13 and 16, 810,581 were enrolled in school, for a rate of 84.4 percent. This is an increase of 20.6 percent, demonstrating the progress made in the field of education and the work done in terms of eradicating non-enrollment. Nevertheless, there are still deficiencies, which are manifested in the 15.6 percent of young people not enrolled in school (see Tables 1 and 2 [not included in article]). The lowest rate of school attendance is seen at the age of 16, with the different ages having the following percentages: 13 years, 93.5 percent; 14, 88.5; 15, 83.1; and 16, 72.4. From this information, it can be inferred that for different reasons, a minority of young people are not interested in education and drop out of the educational system.

Percentages of school enrollment in 1970-1971 drop as the age rises. At the age of 13, the percentage is 86.6; at 14, 73.3; 15, 58.9; and 16, 36.1. In the 1981-1982 period, the pattern is substantially different. It is obvious that an enormous effort has been made to educate young people, with the proof being an increase of 36.3 percent in the school enrollment of 16-year-olds, the age most affected during both periods compared.

Three basic aspects stand out in school attendance: the increase in school enrollment of those between the ages of 13 and 16 during the period between 1981 and 1982; in 1970-1971, the higher school enrollment of boys, with 86.9 percent, while girls make up 81.7 percent; and differences in school enrollment between urban and rural areas, with respective rates of 89.4 and 74.3 percent (see Table 3 [not included]).

In the ages between 13 and 16, it is interesting to note that the province with the highest enrollment is Havana City (91.3 percent) and that the province has a very small difference between the rate of school attendance of boys (91.5) and girls (90.9). It is followed by Santiago de Cuba Province (88.8), although here there are differences between the sexes and between the urban and rural zones.

In the eastern provinces of Holguin, Las Tunas and Granma, the previously noted differences are seen and the three have the lowest rate of school attendance of the country. However, they have the greatest increase over 1970-1971 as a result of the enormous efforts made in education in the provinces. School attendance by province can be seen in Table 4.

#### Current Status of School Dropouts

According to information from the 1981 Population and Housing census, 15.6 percent of the young people between the ages of 13 and 16 had dropped out of the national system of education, meaning that of every 1,000 adolescents, 156 were not in school. If this figure, 85,722 are girls, making up 57.03 percent, and 55 percent live in rural areas. The number of boys not in school is 64,571, representing 42.96 percent (see Table 4).

The difference by sex is greater after the age of 12 and reaches its peak at the age of 16. More girls drop out as a result of early marriage and tasks at home.

It is important to emphasize another detail: Between the ages of 6 and 12 years, the rate of school enrollment is 97.3 percent, which is closely related to types of education. The number of students remaining in school is highest in grade school and the rate drops in the basic secondary schools, especially in work-study farm schools, where the rate is 91.1 percent, among the lowest, although many go back to urban schools (see Table 6 [not included]).

#### Youth Movement Schools

The schools of the Youth Movement have been a fundamental channel for recovering young people who have dropped out and who cannot be taken back into the

regular system of education and who are therefore closely related to the school dropout problem between the ages of 13 and 16. Nevertheless, the number of Youth Movement centers has dropped in recent years. Of the 282 Youth Movement schools existing in 1975-1976, only 153 were left in 1983-1984.

The study done by a commission set up by the Department of Sciences, Culture and Educational Centers of the Central Committee notes that the main problems of the workshop schools of the Youth Movement are as follows: lack of attention and low priority in the counties where they are located; difficulties incorporating students learning a trade; insufficient incorporation of those between the ages of 13 and 16 who are behind in school and out of the system as a result of the lack of coordination of all factors; lack of material conditions and resources allotted to these schools; and the geographic location of the current schools, which do not correspond to the existence of groups of young people who have dropped out. Over 50 percent of the country's counties do not have this type of institution.

#### Social Welfare Commissions

One of the aspects occupying the attention of these commission was to provide a solution to the problems of school dropouts among young people between the ages of 13 and 16.

During the years these commissions operated, they played an important role of support in attention to institutional mechanisms set up. In this phase, a preventive-reeducation policy was drafted and the basic aspects of the system to be applied were defined, along with plans to be carried out and the resources needed to complete the task successfully. Special emphasis was given to the training of cadres as teachers in reeducation, therapists, psychologists, and so on, personnel needed to do this work and in general, social welfare work among the population.

On 30 December 1982, the Council of State set forth Decree Law No 64, establishing the system responsible for disturbed children. Responsibility was entrusted to the Ministry of Interior and the Ministry of Education, with the participation of the different organizations and organs in setting up everything having to do with execution through youth commissions. To a great extent, they have used the experience of the now defunct social welfare commissions.

The most important element in the experience of these commissions was that they showed, without any need for the creation of new institutions or machinery, but rather, based on close coordination in planning, study and control, that the work of prevention and social reeducation can achieve overall results.

In 1973, these commissions disappeared as a result of the demarcation of the structures and functions of the party and people's government, assuming that when the latter were set up, it would take over such tasks or that committees would again be set up under its leadership. But reality has shown that when the commissions disappeared, many of the tasks have been performed as the result of bilateral agreements between organizations. However, at the same



time, a series of activities or experiments have emerged as ways of solving the need to coordinate the functions to be carried out.

#### Experience in Solving Problem of Dropouts

##### Havana

Based on proposals formulated by the voters at district meetings in the county of San Antonio, a committee was set up in the province made up of government agencies and political and mass organizations to analyze the problem and provide a response to the existing situation: the presence in the streets of large numbers of young people who have dropped out of school and who are inclined to commit crimes.

Based on the localization and study of the possible relocation of these young people, a system was tried in which they would be assigned to an apprenticeship and in the afternoon, enjoy cultural and sports activities. Starting at 4:30 in the afternoon, they would go to a site for cultural improvement classes.

Following the application of this San Antonio Plan, the number of young people booked for crimes gradually dropped. The plan was later extended to all counties in the province, with a provincial child welfare commission being set up, headed by the people's government and with the participation of the Ministry of Interior, the Ministry of Education and mass political organizations.

The San Antonio Plan was promoted and extended to several other provinces, with provincial and municipal child welfare commissions set up in order to adapt their experiences to specific conditions.

##### Sancti Spiritus

The provincial child welfare commission is headed by the comrade who handles education for the people's government and made up of all organs and organizations relating to the problem. There are also county commissions.

The main task of the commission has been to keep students in the national system of education and to devote special attention to Youth Movement schools in order to integrate young people into the classroom.

There is discussion and coordination with enterprises in order to integrate young people into apprenticeships, with strict supervision to prevent the student from leaving the work center once enrolled.

Results of the plan are positive. However, it is necessary to institutionalize their material existence since there are serious difficulties with stipends, clothing, shoes and food. There are also problems with finding jobs for plan graduates when they are of working age.



## Villa Clara

The provincial and county commissions were set up in July 1981, made up of the people's government, the Directorate of Education, the Ministry of Interior, the courts, the Ministry of Revolutionary Armed Forces, the Federation of Cuban Women and public health.

Priority was given to work in urban zones, updating figures on young people who have dropped out. Work centers were analyzed and chosen in order to establish a job connection. At the same time, meetings were held with heads of enterprises and administrators. Later, they met with young people and their parents in order to explain plan objectives. The Union of Young Communists and the political and mass organizations of work centers pay political attention to young people assigned to the centers. The Ministry of Public Health has assigned a psychologist to each county to guarantee scientific attention to each case, which has helped guide the commission in proper handling of each.

There are 731 young people in the plan, including 184 girls and 547 boys. They are assigned to 270 work centers in the province's 13 counties. Of them, 372 have gone back to school and only 27 of those enrolled in the plan have committed crimes.

The plan is seen as positive because it has made it possible to integrate all factors of society in the work and coincides with the same difficulties presented by Sancti Spiritus.

## Cienfuegos

The child welfare commission was set up and is headed at all levels by the people's government. Work began with a census by mass organizations. The county commissions have brought 983 young people of both sexes into work-and-study centers.

The Ministry of Education designated a comrade for every county in order to devote attention to this work which, along with the Revolutionary National Police, makes up an operative group of the commission.

Commissions meet monthly with a party official assigned to the task. Plans have also been coordinated with economic organizations to handle the job connection.

In this province, the same material difficulties experienced in others are present.

The application of all these experiences has had positive results, making it possible to bring together all mass organs and organizations in order to provide a solution to the problem of local children between the ages of 13 and 16 who have dropped out of school for various reasons. In addition, the free time of young people has been channeled toward socially useful activities, taking them away from antisocial situations and peers. These experiences should not be analyzed independently of what has been done by the Ministry of

Education in ministerial resolutions and working documents, or of the orientations of political and mass organizations, basically with respect to the work-study relationship as a fundamental form of socialist pedagogy, in the role of the school in the multilateral and coordinated training of adolescents and of proposals of the Ministry of Education in remitting documents analyzed at quarterly meetings with members of the executive branch of the provincial people's government and the participation of the Union of Young Communists, the Supreme Court, the District Attorney's Office and student and mass organizations in November of 1982 when it said: "Youth Movement Schools constitute a fundamental path for the reintegration of those young people who have dropped out of the educational system and who cannot be taken back into the regular schools. Consequently, they must be given the necessary priority. It is essential to analyze the use of suitable facilities in such a way that they may guarantee the incorporation of dropouts into these institutions and consequently, their integration into production and services so that when they reach working age, they may occupy a place in society."

(The tables mentioned will be contained in the next issue. [Continuation never published.] )

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CSO: 3248/755

METROPOLITAN AREA COST OF LIVING RAW DATA

Milk: 62 Pesos

Mexico City EL DIA in Spanish 5 Jul 84 'Metropoli' suppl. p 9

[Text] The majority of the dealers violate official prices for milk packaged in tetrapak in districts, divisions and rural communities around the Federal District. They sell a liter of milk for 62 pesos instead of 52 pesos.

This accusation was made by Miguel Hernandez Cruz, president of the Union of Districts and Divisions of Mexico State. He added that there has not been any visible action by the inspectors of the PFC [expansion unknown] and SECOFI [Secretariat of Commerce and Industrial Development] so far.

At his side a group of housewives of the NZT zone headed by Teresa Olguin, Amelia Orozco, Sofia Casas, Patricia Resendiz, Refugio Mena, Susana Morales and Berta Perez, implied that the PFC and SECOFI inspectors operate in open collusion with the dealers.

Our informants indicated that the difference for each liter--10 pesos--is a strong blow to the already unbalanced budget of workers and residents of the area.

They ended that the violation of milk prices also occurs in the authorized stores in public markets.

Naucalpan: Below-Market Prices

Mexico City EL DIA in Spanish 5 Jul 84 'Metropoli' suppl. p 11

[Text] Naucalpan, Mex., 4 Jul--The first tent store for fruits and vegetables was set up on the south esplanade of the municipal palace. It is part of the municipal program to support the family budget.

Peaches, mangoes, grapes, melons, tomatoes, onions and pumpkins are among the products sold at prices up to 30 percent lower than in the popular markets.

This is also being carried out in 10 other places in the town.

The Office of Municipal Economic Development directed by Manuel Coronado Nobregas reported that the low prices for these products are possible because they come directly from the producers. This service for the Naucalpan community will be permanent.

The products sold and their comparative prices are as follows:

| <u>Product</u>  | <u>Competition</u> | <u>Popular<br/>Fruit Stands</u> | <u>Savings</u> |
|-----------------|--------------------|---------------------------------|----------------|
| Tomato          | 92.00/kilo         | 60/kilo                         | 32.00          |
| Pumpkin         | 60.00/kilo         | 40/kilo                         | 20.00          |
| Potato          | 86.50/kilo         | 75/kilo                         | 11.50          |
| Carrot          | 45.00/kilo         | 30/kilo                         | 15.00          |
| Lemon           | 45.00/kilo         | 35/kilo                         | 10.00          |
| Lettuce         | 40.00/piece        | 30/piece                        | 10.00          |
| Onion           | 65.00/kilo         | 60/kilo                         | 5.00           |
| Banana          | 52.00/kilo         | 35/kilo                         | 17.00          |
| Seedless grapes | 150.00/kilo        | 120/kilo                        | 30.00          |
| Total           | 635.50             | 485.00                          | 150.50         |

#### High-Priced Meats

Mexico City EL DIA in Spanish 26 Jul 84 'Metropoli' suppl. p 9

[Text] Tlalnepantla, Mex., 25 Jul--Meat speculation persists (at between 760 and 800 pesos) by the butchers who plead shortages only to give the meat to their favorite housewives or consumers.

This was stated by CTM [Confederation of Mexican Workers] leader Miguel Sanchez Aleman. He also stated that rather than a meat shortage, the problem is greed by the retailers. Exploiting the "troubled waters," they try to impoverish the consumer under different pretexts.

In the stores of Naucalpan, Tlalnepantla, Atizapan, Ecatepec, Coacalco, Nezahualcoyotl and other towns in Valle de Mexico, the butchers display the list of maximum prices for the product granted by the respective authorities. When the housewives ask for that particular meat, the answer is: "There is no more, only the meat that costs 1,500 or 2,000 pesos" known as "fine cuts." Or, "it is already sold."

According to the leader, there is a brazen maneuver by the butchers to hide meat. At the same time, this acts as pressure so that the authorities grant a higher official price.

#### Tomatoes, Eggs, Milk

Mexico City EL DIA in Spanish 30 Jul 84 'Metropoli' suppl. p 9

[Text] Naucalpan, Mex., 29 Jul--The price of "whole" tomato shot up to between 180 and 200 pesos per kilo. Just last week it was 120 pesos.

Housewives from this town, labor leaders and district representatives denounced this.

In separate interviews, leaders Jesus Alvarado Bonilla from COR [Revolutionary Labor Confederation] and Raul Primitivo Tobon Camacho from CROM [Mexican Regional Labor Confederation] agreed with this.

The district representatives, America Abaroa Zamora and Mauricio Rivera Salinas, stated that a kilo of tomato costs 180 pesos in all the popular markets and more than 200 pesos in the residential zones.

Housewives interviewed at random, led by Lucina Martinez, Celia Andrade, Yolanda Magana, Teresa Juarez, Raquel Mendoza and Rosa Angeles, revealed that the "whole tomato cost between 100 and 120 pesos last week. Just yesterday they woke up to the news that merchants had raised the price of this basic article 80 percent to 100 percent."

They also complained that eggs are sold at 160 pesos. Also the merchants use sugar as a "come-on" for the purchase of second-class beans, soup pasta, sardines, coffee, etc.

They stated that a liter of "raw" milk sells for up to 70 pesos, the same price as the milk packaged in cartons. It is difficult to find in many stores.

They complained that all classes of soaps and detergents have also risen 50 percent in this area.

The union representatives, housewives and district leaders agreed that beans, rice, soup pasta, Carnation Clavel canned milk, canned food and other basic products have recorded increases of 30 percent to 100 percent.

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CSO: 3248/749



## 1984 GROSS DOMESTIC PRODUCT UP SLIGHTLY

Lima LA PRENSA in Spanish 23 Aug 84 p 9

[Text] The 1984 PBI [Gross Domestic Product] will grow about 2.7 percent if there are no changes in the production level during the remaining three quarters of the year and despite the fact that the figures corresponding to the first quarter were 0.8 percent below the same period in 1983.

This is in the report "Economic Situation of Peru, Second Quarter 1984" written by the Economic Studies Unit of the Banco Continental.

According to the report, the first quarter statistics made it possible to predict that the PBI will rise this year to 4.7 billion soles (1980 values) compared to 4.58 billion in 1983.

The report added that crops this year promise to be very satisfactory and the gross mining product shows a clear rising trend despite the fact that conditions in the international markets are not at all encouraging.

Also the fishing sector is experiencing a notable recovery although the volume of fish is still below 1982 figures.

As to manufacturing, the Banco Continental report added that the statistics available now point, in the best of cases, toward a very modest rate of growth despite the progress achieved in exports.

The construction industry remains stagnant and it is not expected to recover much this year. Unless inflation slows down considerably, thus strengthening the purchasing power of the consumers, "a significant improvement in private consumption expenditures is unlikely."

On the basis of prevailing trends and also the assumption that there will not be any general strikes, the tentative prediction for 1984 is that the PBI would grow between 2.5 percent and 3.5 percent, according to Banco Continental.

Finally the Economic Studies Unit of Banco Continental headed by Mr Kenneth Levene noted that "the latest indicators give us convincing evidence that the economy is slowly changing although there is still a long way to go before it can be said that we are in full recovery."

## INTERIOR MINISTER COMMENTS ON POLICE ACTIVITIES, DISMISSALS

Lima LA PRENSA in Spanish 21 Aug 84 p 2

[Text] According to the minister of interior, Luis Percovich Roca, yesterday, 5,812 policemen have been sanctioned for abuse of authority and various crimes in 1983 and 1984.

He stated this when asked his ministry's position toward the obvious excesses of the GC [Civil Guard] recently when they struck a group of journalists who wanted to interview President Belaunde.

According to the minister, 644 policemen have been retired, 2,224 were taken to ordinary court and 2,944 to special court under charges of abuse of authority, common crimes, drug traffic, smuggling and endangering the welfare and life of others.

The minister said in statements at the Palacio de Gobierno: "The citizenry must be calm and be assured that we will be inflexible in punishing (police) excesses. We will do so energetically, without hiding anything."

He also said that President Belaunde expressed his "concern and displeasure" yesterday about this police aggression against the journalists and demanded "reflection and calm, not excesses," from the police force.

### Protection for Prominent People

Percovich reported that an adequate system to protect prominent people like the presidential candidates, diplomats, judges, etc., is being mounted.

In the particular case of judges who reportedly receive constant death threats from the rebels, Percovich revealed that there is a strategy to protect them. For obvious reasons, it cannot be made public. He merely revealed that, for example, the judicial sites will have more police protection.

### Ayala Case

The minister repeated that, in the case of missing journalist Jaime Ayala Sulca, the PIP [Peruvian Investigative Police] is now looking for a key witness who was in Huanta with Ayala. The Public Ministry had requested this.

He indicated that the appearance of that witness would explain many unknowns and speculations about the whereabouts of the journalist. He also indicated that the Military Political Command of the Emergency Zone is responsible for investigations concerning that journalist's situation.

As to the alleged missing people in the Emergency Zone, he felt that the investigations came under the Public Ministry.

"Bufalo" Pacheco

The minister explained that neither his ministry nor the police forces have any connection with the so-called "Bufalo" Pacheco, a controversial person recently involved in evictions and other violent acts.

Percovich said that the police have been given instructions. In actions they undertake by mandate of the justice department, they do not have any connection with that person who calls himself "chief" of a so-called "Indo-American Command."

The minister denied that this command is a paramilitary organization linked to the government. Pacheco does not have any legal power and the law does not recognize that "command."

In his opinion, these "commands" are hired to "mop up" for private enterprises when it is necessary to evict invaders from their properties. Percovich stated: "The owners must account for Pacheco's actions."

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CSO: 3348/550

## FOOD POLICY NEEDED TO RECTIFY INCREASING HUNGER LEVELS

Lima LA PRENSA in Spanish 12 Aug 84 p 15

[Text] If there is one problem in Peru that demands emergency attention, it is unquestionably the food problem.

Historically, except for the pre-Columbian period, we have not belonged to the group of well-fed countries. On the contrary, for 400 years we have crept along with worsening shortages in an accumulative process that originates in the stagnation of agricultural-livestock production within the context of sustained population growth.

In this sense, the most dramatic shortcoming of the model of economic and social development that our country has followed in the last 50 years has been the lack of a food policy that confronts hunger based on the productive potential of the country.

It is surprising that the most successful food policy project so far under this government--the National Food Reserve Plan--has gone unnoticed in the political and academic debates.

We cover this topic in this article taken from the latest issue of AGRO published by the Agrarian Bank. It is an attempt to summarize the arguments contained in the many documented studies in favor of a food policy.

### Drama of Hunger

Based on the national standards of food consumption and recommendations from the National Institute of Nutrition to avoid hunger, a family of six must consume approximately \$130 worth of food per month.

Keeping in mind that in March 1984 the minimum living wage in Lima bordered on \$50 per month, it can be seen that at least three members of the family would have to work to achieve that consumption (which is unlikely due to the serious unemployment). Also they must devote more than 86 percent of their income to food. This is obviously not the case of the majority of the people.

The most serious problem is that the shortage tends to worsen with time instead of improving as demonstrated by official statistics.

In 1971-72 before the crisis, according to data from ENCA [National Food Consumption Survey], the majority of the population was low in calories, calcium and riboflavin and showed very serious shortages of carotene, thiamine and protein.

From then on, based on a statement by the Sectorial Office of Statistics of the Ministry of Agriculture, the daily per-capita consumption of protein in the lower-income sector of Metropolitan Lima would have gone down from 52.7 grams to 41.3 grams between 1972 to 1979. Calories went from 1,934 to 1,486. The FAO considers the minimum for Peru to be 53.7 grams and 2,167 calories, respectively.

The average national deficit hides an unequal distribution that reaches even more spectacular profiles in some depressed areas. For 1972, according to ENCA, hunger escalated from less notorious levels in Metropolitan Lima and the large cities to worsen in the populated centers and openly prevail in the rural zone where 54.4 percent of the population was concentrated.

In Metropolitan Lima itself, the differences were abysmal based on the distribution of income.

For example, in the lower-income sectors only 72.5 percent of the calories and 79.22 percent of the protein were consumed.

The fact that the differences have worsened can be discerned from a specific study done in the slums of Ciudad de Dios and Pamplona where 87.5 percent of the families that drank milk in 1972 do not now and 100 percent have abandoned or noticeably cut back on their consumption of meat and other basic energy products like pasta, oil, rice and sweet potato.

#### Causes

What is this situation due to? There are at least two key factors: separation between production and consumption structures and the absence of a food policy that could avert it.

Although it seems a cliché, the primary cause of hunger is the fact that the country does not produce enough to feed its people. During the last decade while the gross agricultural product grew at a rate of 2.4 percent per year, the population grew at a rate of 3 percent, worsening the food gap that is even bigger now.

To give an idea of how the gap widens, it suffices to cite data from the 1981 Programming of Crops in the various agrarian regions. According to it, optimum agricultural production would only be able to offer 2,138 calories and 53 grams of protein per day per capita, below the minimum rates already cited.

Obviously, the only feasible solution is the urgent need to horizontally and vertically expand the agricultural frontier.

How big must that expansion be? Considering that the rates of growth average 0.03 percent for the agricultural area, 1.1 percent for productivity and 1.5



for the level of importing supplies and if minimum rates of growth are to be achieved by the year 2000, there would only be three major possibilities not to cure hunger but only to maintain the 1981 levels under the assumption that the demographic growth rate does not change:

a) Basing that effort only on the addition of new land, it would be necessary to adapt almost 2 million hectares (100,000 per year) between 1981 and 2000, growing at a rate of 4.2 percent per year--that is, more than 10 times the present rate.

b) Basing it on productivity, its increase would also have to be about 4.2 percent per year during these 2 decades. This is equivalent to saying that the current yields would have to more than triple, promoting a real technological revolution.

c) Basing it on imports, it would be necessary to triple their current level, increasing them annually by 15.8 percent which would derail any possibility of a balanced trade balance.

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CSO: 3348/540

## FEWER STRIKES CALLED IN 1984 THAN IN 1983

Lima LA PRENSA in Spanish 12 Aug 84 p 14

[Text] There has been a notable drop in the number of strikes this year. There have been 189 strikes—that is, 89 fewer labor conflicts compared to last year.

Comparative indices of the strike movement in the first 5 months of this year and a similar period in 1983 reveal this. The Ministry of Labor and Social Welfare announced this in the first issue of its magazine BOLETIN.

The statistics on strikes indicate that the man-hours lost in 1984 decreased by 4,497,130 hours—that is, a 40-percent reduction compared to 1983. In the period January-May 1983, the figure rises to 11,497,510. In the same period in 1984, it went down to 6,845,380 man-hours lost.

The monthly average of strikes from January to May 1984 was about 38, lower than the 1983 average of 56.

The labor population affected in that same period in 1984 reached 428,705 salaried workers. In 1983 the workers affected totaled 446,956. Both cases include the workers who respected the United National Strikes on 23 March 1984 and 10 March 1983. (See Chart No 1).

The days of inactivity for workers caused by the strikes during the period January to May 1984 went down significantly to 3 days. In 1983 the average inactivity of the workers due to strikes was about 7.5 days. (See Chart No 2).

As to the economic sectors or activities affected by strikes, it can be observed that the manufacturing industry continues to have the greatest number of conflicts. However, in absolute terms, they decreased from 104 strikes in the period January to May 1983 to 71 in the same period in 1984.

That drop is also observed with the number of workers involved which went from 16,061 in 1983 to 10,720 in 1984. Man-hours lost went from 1,544,552 in 1983 to 740,047 man-hours lost in 1984 in the manufacturing industry sector. (See Chart No 3).

A substantial decrease in the strike movement can be seen in the rest of the economic sectors.

# CUADRO No. 1

## 1 HUELGAS, TRABAJADORES AFECTADOS HORAS--HOMBRE PERDIDAS SEGUN MESES 1983-1984

| 2 MESES             | 1983          |                          |                         |               | 1984                     |                         |               |                          | 1984 / 1983             |               |                          |                         |
|---------------------|---------------|--------------------------|-------------------------|---------------|--------------------------|-------------------------|---------------|--------------------------|-------------------------|---------------|--------------------------|-------------------------|
|                     | 3 No. Huelgas | 4 Trabajadores Afectados | Horas-Hombre 5 Perdidas | 3 No. Huelgas | 4 Trabajadores Afectados | Horas-Hombre 5 Perdidas | 3 No. Huelgas | 4 Trabajadores Afectados | Horas-Hombre 5 Perdidas | 3 No. Huelgas | 4 Trabajadores Afectados | Horas-Hombre 5 Perdidas |
| TOTAL               | 278           | 446,956                  | 11'497,510              | 189           | 428,705                  | 6'845,380               | -89           | -18,251                  | -4'652,130              | -             | -                        | -                       |
| Enero 6             | 61            | 43,878                   | 1'757,406               | 37            | 76,271                   | 1'365,024               | -24           | 32,393                   | -392,382                | -             | -                        | -                       |
| Febrero 7           | 63            | 34,033                   | 2'853,911               | 48            | 33,971                   | 1'750,293               | -15           | -62                      | -1'103,618              | -             | -                        | -                       |
| Marzo 8             | 77            | 324,186                  | 4'771,488               | 44            | 302,442                  | 3'155,058               | -33           | -21,744                  | -1'616,430              | -             | -                        | -                       |
| Huelgas 9           | 76            | 25,864                   | 2'384,912               | 43            | 60,267                   | 1'217,658               | -33           | 34,403                   | -1'167,254              | -             | -                        | -                       |
| Paro Nac. Unit. 10  | 1             | 298,322                  | 2'386,576               | 1             | 242,175                  | 1'937,400               | -             | -56,147                  | -449,176                | -             | -                        | -                       |
| Abril 11            | 56            | 34,323                   | 1'506,793               | 39            | 12,815                   | 437,901                 | -17           | -21,508                  | -1'068,892              | -             | -                        | -                       |
| Mayo 1/ 12          | 21            | 10,536                   | 607,912                 | 21            | 3,206                    | 137,104                 | -             | -7,330                   | -470,808                | -             | -                        | -                       |
| Promedio por Mes 13 | 56            |                          |                         | 38            |                          |                         |               |                          |                         |               |                          |                         |

1/ Incluye al 15 de mayo de 1983 y 1984. 14

FUENTE: Dirección General de Relaciones de Trabajo.

15 Dirección Técnica Laboral

Chart 1.

Key:

1. Strikes, workers affected, man-hours lost by month 1983-1984
2. Months
3. Number of strikes
4. Workers affected
5. Man-hours lost
6. January
7. February
8. March
9. Strikes
10. United National Strike
11. April
12. May
13. Average per month
14. 1/Goes to 15 May 1983 or 1984
15. Source: General Directorate of Labor Relations, Technical Labor Office

# CUADRO No. 2

## HUELGAS, TRABAJADORES AFECTADOS, HORAS-HOMBRE PERDIDAS, PROMEDIO DE HORAS INACTIVAS Y DE DIAS DE INACTIVIDAD POR TRABAJADOR EN HUEGAL SEGUN AÑOS

2 (No Incluye Paños Nacionales)

| 3<br>AÑOS         | 4<br>No.<br>HUELGAS | 5<br>TRABAJADORES<br>AFECTADOS | 6<br>HORAS-HOMBRE<br>& PERDIDAS | 7<br>PROMEDIO DE HORAS<br>INACT. POR TRAB. HUELGA | 8<br>PROMEDIO DE DIAS<br>INACTIVIDAD 1/ |
|-------------------|---------------------|--------------------------------|---------------------------------|---|---|
| 1980              | 739                 | 481,484                        | 17'918,890                      | 37  | 4.5                                     |
| 1981              | 869                 | 467,094                        | 16'751,316                      | 36  | 4.5                                     |
| 1982              | 809                 | 548,891                        | 22'525,975                      | 41  | 5                                       |
| 1983              | 640                 | 404,954                        | 17'178,310                      | 42  | 5                                       |
| Enero - 15 mayo 9 |                     |                                |                                 |   |   |
| 1983              | 277                 | 148,634                        | 9'110,934                       | 61  | 7.5                                     |
| 1984              | 188                 | 186,530                        | 4'907,980                       | 26  | 3                                       |

1/ Considerando un Turno de trabajo de ocho horas diarias. 10

FUENTE: Dirección General de Relaciones de Trabajo 11  
Dirección Técnica Laboral.

Chart 2

Key:

1. Strikes, workers affected, man-hours lost, average of inactive hours and days of inactivity by a worker on strike according to year.
2. (Does not include national strikes)
3. Years
4. Number of strikes
5. Workers affected
6. Man-hours lost
7. Average inactive hours by worker on strike
8. Average of days of inactivity
9. January to 15 May
10. 1/Assuming a work shift of 8 hours per day
11. Source: General Directorate of Labor Relations, Technical Labor Office

# CUADRO No. 3

## 1 HUELGAS, TRABAJADORES AFECTADOS, HORAS-HOMBRE PERDIDAS SEGUN ACTIVIDAD ECONOMICA

2 (Enero - 15 de Mayo de 1983 - 1984)

| 3 ACTIVIDAD ECONOMICA  | 1983          |       |                   |       |                         |       | 1984          |       |                   |       |                         |       |
|------------------------|---------------|-------|-------------------|-------|-------------------------|-------|---------------|-------|-------------------|-------|-------------------------|-------|
|                        | 4 No. HUELGAS |       | 5 TRAB. AFECTADOS |       | 6 HORAS-HOMBRE PERDIDAS |       | 4 No. HUELGAS |       | 5 TRAB. AFECTADOS |       | 6 HORAS-HOMBRE PERDIDAS |       |
|                        | ABS           | %     | ABS               | %     | ABS                     | %     | ABS           | %     | ABS               | %     | ABS                     | %     |
| TOTAL 1/               | 274           | 100.0 | 140,681           | 100.0 | 9'032,478               | 100.0 | 185           | 100.0 | 129,498           | 100.0 | 4'438,828               | 100.0 |
| Agricultura y Pesca    | 7             | 4.0   | 23,230            | 16.5  | 1'045,424               | 11.6  | 4             | 2.2   | 1,271             | 1.0   | 43,361                  | 1.0   |
| Minería                | 8             | 24.1  | 46,580            | 33.1  | 4'417,625               | 49.0  | 36            | 19.4  | 47,027            | 36.3  | 1'428,630               | 32.2  |
| Manufactura            | 9             | 38.0  | 16,061            | 11.4  | 1'544,552               | 17.1  | 71            | 38.4  | 10,720            | 8.3   | 740,047                 | 16.7  |
| Energía, Gas y Agua    | 10            | 1.8   | 3,762             | 2.7   | 51,088                  | 0.5   | 5             | 2.7   | 5,755             | 4.4   | 552,800                 | 12.5  |
| Construcción           | 11            | 9.5   | 16,380            | 11.6  | 750,591                 | 8.3   | 22            | 11.9  | 6,073             | 4.7   | 307,424                 | 7.0   |
| Comer. Rest. y Hoteles | 12            | 6.2   | 5,963             | 4.2   | 317,015                 | 3.5   | 12            | 6.5   | 2,547             | 2.0   | 95,506                  | 2.1   |
| Trans. Almac. y Comun. | 13            | 5.5   | 15,447            | 11.0  | 756,828                 | 8.4   | 16            | 8.6   | 23,553            | 18.2  | 800,686                 | 18.0  |
| Estable. Financieros   | 14            | 6.2   | 10,616            | 7.6   | 56,055                  | 0.6   | 10            | 5.4   | 31,772            | 24.5  | 458,874                 | 10.3  |
| Servicios              | 15            | 4.7   | 2,642             | 1.9   | 93,300                  | 1.0   | 9             | 4.9   | 780               | 0.6   | 11,500                  | 0.2   |
| Paros Nac. y Depta.    | 16            | 4     | 306,275           |       | 2'465,032               |       | 4             |       | 299,307           |       | 2'406,552               |       |

1/ No incluye Paros Nacionales y Departamentales 17

FUENTE: Dirección General de Relaciones de Trabajo 18  
Dirección Técnica Laboral.

Chart 3

Key:

1. Strikes, workers affected, man-hours lost by economic activity
2. January to 15 May 1983-1984
3. Economic activity
4. Number of strikes
5. Workers affected
6. Man-hours lost

7. Agriculture and fishing
8. Mining
9. Manufacturing
10. Energy, gas and water
11. Construction
12. Trade, restaurants and hotels

13. Transportation, storage and communications
14. Financial establishments
15. Services
16. National and departmental strikes
17. 1/Does not include national and departmental strikes
18. Source: General Directorate of Labor Relations, Technical Labor Office

7717  
CSO: 3348/540



## BRIEFS

CIVIL GUARD ACQUIRES HELICOPTER--The GC [Civil Guard] acquired its first patrol helicopter yesterday. This places it almost at the level of police institutions of other countries. The helicopter will be piloted by members of the GC Air Police who, until yesterday, had no way to demonstrate their expertise in flying those planes. The helicopter donated by the "Friends of the GC" Foundation joins the fleet of three small planes the GC has in the jungle. They are used to inspect the groves. Different from the small planes, however, the helicopter will be used in Lima to combat crime. The keys to the Bell helicopter were presented by the president of the foundation, engineer Arturo Woodman Pollit, to the director superior of the GC, Lt Gen Juan Balaguer Morales. The ceremony was held at the GC Instruction Center in La Campina (Chorrillos). The airplane made a demonstration flight. [Text] [Lima LA PRENSA in Spanish 15 Aug 84 p 1] 7717

SPAIN GRANTS SOFT CREDIT--Madrid, 16 Aug (EFE)--Juan de Madalengoitia, Peruvian minister without portfolio, and Gonzalo Puente, deputy minister of foreign affairs, finalized an agreement for a 600-million-peseta loan (\$3.75 million) from Spain to Peru today in Madrid. Madalengoitia told EFE that this aid will be put into effect in the next few days. It is a great help to Peru since the credit conditions are very soft (5 years grace, a term of payment of 20 years and 2-percent interest). The Spanish Ministry of Foreign Affairs authorized the Peruvian minister to change the application of the line of credit to permit laying the electric transmission line from the Carhuaquero Energy Powerplant through the departments of Trujillo and Chiclayo to Piura. The loan was agreed on several months ago to mitigate the economic disaster in Peru caused by floods and torrential rains last year. Spanish enterprises participate in the execution of reconstruction projects. The Peruvian minister told EFE that his country will be able to repay the loan "which has very realistic conditions" without any problem. [Text] [Lima LA PRENSA in Spanish 17 Aug 84 p 3] 7717

NONUNIONIZED WORKERS GET RAISE--The salaries of private sector workers not subjected to collective bargaining will be increased beginning 1 September. The raises will be made on so-called basic salaries up to a maximum of 79,200 and to a minimum of 35,100 soles. [Excerpt] [PY012125 Lima Cadena America Television in Spanish 0330 GMT 1 Sep 84 PY]

PARLIAMENT ESTABLISHES 200-MILE ECONOMIC ZONE

FL311832 Bridgetown CANA in English 1727 GMT 31 Aug 84

[Text] Basseterre, Aug 31, CANA--The St Kitts and Nevis Parliament has passed a bill providing for an exclusive 200-mile economic zone.

At yesterday's first parliamentary sitting since general elections in June, the Maritime Areas Act (1984) was introduced by Attorney General Tapley Seaton and passed with the opposition Labour Party absent from the sitting.

Labour parliamentarian Joseph France, one of two elected to the 11-seat legislature, declined to explain the opposition's non-attendance.

The Maritime Areas Act provides for an extension of the country's territorial sea from 3 nautical miles to 12 miles, a contiguous zone of 24 miles, a continental shelf, and an exclusive economic zone.

Exploitation of the country's natural maritime resources without government permission would lead to fine of up to 100,000 dollars (one E.C. dollar, 37 cents U.S.).

The bill also officially recognises the presence of countries which are in close proximity to St Kitts-Nevis and provides for unmolested passage of commercial and non-hostile military shipping.

Agriculture Minister Hugh Heyliger introduced the Fisheries Act (1984), which relates to the management and development of a fisheries plan and seeks the appointment of a fisheries advisory committee within the Ministry of Agriculture.

Other bills sought the requirement of visas for foreigners, other than those from the Commonwealth and the United States, visiting the country and provision of additional registrars of companies.

CSO: 3298/1106

LABOR CONTINUES ATTACK ON VALIDITY OF ELECTION

'Moral Defeat' for PAM

Basseterre THE LABOUR SPOKESMAN in English 4 Jul 84 p 2

[Editorial: "Hollow Victory, Moral Defeat"]

[Text]

The topic being discussed all around St. Kitts is the hollow victory of PAM and its moral defeat in the general elections held in St. Kitts on 21 June 1984.

When one questions people in Basseterre and in the villages as to the reasons for their belief that the election results were bogus, they answer that the observed and reported electoral malpractices and improper conduct by the government left them in no doubt that the government constructed the results.

People are saying that the government suffered a moral defeat in the elections because it felt the need to resort to undemocratic as well as unlawful devices to coerce some voters and induce others to vote for it.

They also believe that the government constructed the results, and that because it did, the government had a hollow victory, and that it does not know what is its support among the voters on the island.

The voters on St. Kitts do not regard this second coalition government as a genuine expression of the will of the people, but feel

that as in the case of the first coalition government, it too is an imposition.

The people on the island believe that nothing will change in St.Kitts. They believe that repression of the population and job victimisation will continue unabated, and that the condition of increasing numbers of families and individuals will get steadily worse.

It is generally believed that the coalition government's insatiable thirst for spite and punishment and its deep-rooted antipathy against St.Kitts and the interests of Kittitians, will push large sections of the population below the subsistence line, especially the poor, the low-paid workers, the unemployed the old, and their families and dependants.

The widely admitted spurious nature of the election results has cast a thick blanket of gloom over the island, and left hordes of people feeling that they face a dark and dreary future in St.Kitts.

Just as the government's so-called victory was hollow and spurious, so its contrived attempts at rejoicings have been hollow and counterfeit. Not even the music and rum were able to conceal their lack of enthusiasm.

The coalition government will make Kittitians learn the hard way. Kittitians are the only people in the whole Caribbean who will join with their enemies to fight against themselves.

The people of St.Kitts cannot co-operate with the coalition government, when the same government is bent on ruining their lives and destroying their future.

## Bryant's Disbelief

Basseterre THE LABOUR SPOKESMAN in English 7 Jul 84 p 11

[Article by Fitzroy Bryant: "Impossible! I Say"]

[Excerpts]

I do not accept the published results of the General Elections as genuine and valid. And I really don't mind being called a bad loser. I've been called worse things in my time - without justification, of course.

The results defy logic, reason and commonsense. They have shocked not only the Labour Party agents in every polling division in St.Kitts but also the PAM agents who did the house-to-house work and spent long hours counting the votes for Labour and PAM, household by household.

In 1980 Labour received 58% of the votes in St.Kitts, PAM 42%. The official figures say that PAM received 53% in 1984 and Labour 46%.

I do not accept that the majority of people in St. Kitts now support PAM. All of the evidence, apart from these strange election results, contradict that assumption

Secondly, the results try to suggest that nearly all of the young people and other new voters voted for PAM. To believe that, you would have to believe that nearly all of the young people and new voters are hypocrites and that they have been grossly lying, both before and after Election Day.

Thirdly, if the election results are true, Kittitians have given a resounding approval for corruption, victimisation, personal abuse, the sell-out of St.Kitts, the destruction of the economy, the brutalisation of the workers, and a long list of similar behaviour.

It is possible, but I do not believe it.

The micro - analysis of the results constituency by constituency is even more mind-blowing.

Take Constituency No.8 (Ottleys, Cayon, Keys, Conaree, Kittstoddarts, St.Peters), to start with. In 1980 I got 280 votes out of 846 cast in Cayon Village. Why? The PAM agents said Cayon people didn't want Bryant because he wasn't born in St.Kitts, he was immoral, etc.



The number of votes cast in Cayon in 1984 increased to 1,166. The Labour candidate was a Kittitian born in Cayon, an outstanding professional young man, popular with the young people, with no suggestion of immorality about him. He got 282 votes out of 1166!

Impossible, I say. I do not believe that Sydney Morris got 1,536 votes and Halva Hendrickson 867. I do not believe that Morris doubled his vote in St. Peters.

#### CONSTITUENCY NO. 7

Take Constituency No. 7 (Tabernacle - Ottleys). The number of persons who voted in that constituency increased by nearly 500 compared with the same villages in 1980. (You have to remember changes made to the boundaries of this and other constituencies).

In 1980 St. John Payne beat the PAM candidate by 1,000 votes. Now, in 1984, although there was an increase of 500 votes cast, the Labour vote fell from 863 to 806 and the Pam vote increased from 322 to 871!

Look at the results of two of the boxes in strong Labour areas -

|        | <u>Mansions</u> |             | <u>Lodge Village</u> |             |
|--------|-----------------|-------------|----------------------|-------------|
|        | <u>1980</u>     | <u>1984</u> | <u>1980</u>          | <u>1984</u> |
| Labour | 119             | 133         | 82                   | 72          |
| PAM    | 8               | 49          | 12                   | 65          |
|        | <u>127</u>      | <u>182</u>  | <u>94</u>            | <u>137</u>  |

Impossible, I say. I do not believe it.

If you scrutinize the results, polling division by polling division, constituency by constituency, you will find the same story, generally speaking.

So Michael Powell wins the "marginal" constituency of Basseterre East by 400 votes, Simmonds the "marginal" constituency of Basseterre Central by 600 votes, Heyliger the "marginal" constituency of Sandy Point by 450 votes, and so on. I don't believe it.

But, you may well ask, if the results are not genuine and valid, who did what? and when? and How? Those questions are being examined as a matter of urgency.

Meanwhile, don't shed any tears for Labour. Shed tears over the corpse of free and fair elections in St. Kitts.

### Summons for Ballots

Basseterre THE LABOUR SPOKESMAN in English 14 Jul 84 p 12

[Text] On Tuesday of this week Mr. E. St. John Payne of Bird Rock filed an Election Petition (Suit No. 19 of 1984) challenging the election of Mr. Fitz Roy Jones as the Parliamentary Representative for St. Christopher 7 in the General Elections of Thursday 21 June 1984.

Yesterday afternoon, Dr. Henry L. Browne, Solicitor for Mr. Payne, took out a Summons in Chambers, as part of the Petition, seeking an Order

1. For the Supervisor of Elections to produce to the Court the used ballot papers, unused ballot papers, counterfoils, voters lists, and all other documents used in the election.
2. For the same to be inspected and the votes recorded therein to be recounted by the Court in the presence of the parties and their respective Counsel, Solicitors and Agents.
3. For the parties to be at liberty to take copies or photographs of any disputed ballot papers and to subject any disputed ballot papers to scientific examination and scrutiny.

CSO: 3298/1106

LABOR UNION 'IN SHAMBLES,' LAYS OFF WORKERS

Basseterre THE DEMOCRAT in English 18 Aug 84 p 2

[Editorial: "Last Lap for Labour"]

[Text] The news reaching us that the St. Kitts-Nevis Trades and Labour Union has this week laid off some eight (8) employees, including Owen Caines and Lascelles Rawlins, should not surprise anyone who has been following the downward trend being taken by this Organisation since the death of the late Robert Bradshaw in May 1978.

We understand that the laying off of workers at the Labour Union has been almost a clean sweep, leaving only one (1) official, Walford Gumbs, still employed on any kind of basis there. Our information is that the Staff of THE LABOUR SPOKESMAN Newspaper is still intact, a curious circumstance since the Newspaper is allegedly the organ of the Union, although its functions have been for years almost exclusively politically motivated.

This act of laying off nearly half of its employees has brought the fortunes of the Masses House Organisation to a new low. Evidently, the strain of keeping up the pretence of strength and influence is no longer worth it. Faced with the prospect of another five (5) years in the political wilderness under a greatly strengthened and popular PAM/NRP Coalition Government, the Labour hierarchy has been forced to take the decision to strip its work force down to a level where they can perhaps manage to pay them some sort of regular wage.

Labour is now in shambles. Lee Moore has lost his seat in Parliament, thereby joining the assortment of rejects in Labour previously headed by Fitzroy Bryant. The Comrade Leader is lying low, his arm in a sling, and his neck in the process of recovering from the whiplash which it sustained, when the Labour Leader crashed his car into an embankment off to the side of the road on his way home from a Wedding Reception. St. John Payne, shocked out of his wits by his upset defeat by the victorious and hard-working Roy Jones filed an Election Petition against his defeat and then failed to show up in Court for the hearing, which his solicitor applied to adjourn.

Masses House itself remains in imminent danger of being liquidated to meet the crushing indebtedness of the Labour Movement in favour of the National Bank, a burden which has not been touched for over two (2) years, and which now is close to \$250,000. Up to now, no convincing account has yet been heard to explain the disappearance of nearly \$1 million collected by the Labour Union in forced Union Dues over a period of a mere seven (7) years. Where the money gone? Some of that \$1 million should have been available to pay handsome Redundancy awards to the eight (8) long-serving members of the Labour Union Staff.

Lascelles Rawlins and Owen Caines, we understand, are complaining to all and sundry about the shabby treatment which has been dished out to them by their Labour Union overlords. And rightly so! Caines and Rawlins could have been getting a golden handshake from the \$1 million, if it were still there! In his heyday, Owen Caines achieved notoriety as Labour's chief hatchet-man. Now his turn has come, and no money is there to pay even Owen Caines Redundancy money. Obviously, the end is not far off, and we are witnessing last lap for Labour!!!

CSO: 3298/1106

ADDITIONAL COVERAGE OF THRONE SPEECH ON GOVERNMENT AIMS

Economic Issues

Kingstown THE VINCENTIAN in English 3 Aug 84 p 1

[Text]

The national flag of St. Vincent and the Grenadines is to be redesigned.

Governor General Sir Sydney Gun Munro told the first sitting of the new Parliament yesterday that a committee is to be set up to make recommendations for the design of a new national flag.

Sir Sidney spoke at the State Opening of the first Parliament since the general election last month.

Large crowds outside the chamber in Kingstown hailed Prime Minister James Mitchell on his arrival and booed the new Leader of the Opposition, Mr. Milton Cato, who was head of government until the defeat of the St. Vincent Labour party in the election.

A guard of honour of police was inspected by the Governor General.

On the subject of the flag, Sir Sydney said that the design of the flag was one of the problems of national identity which needed addressing.

He went on: "The inclusion of our Coat of Arms has meant that the flag is printed only on one side and cannot be locally produced".

"Moreover, the existing flag has been debased by political abuse."

Legislation would be enacted, he said, to preserve the dignity of the new flag.

The Governor General referred to arrears of taxation, a point made by Mr. Mitchell in a speech to the Chamber of Industry and Commerce earlier this week. (See Page 3)

"My government requests all offenders to pay off all arrears of taxes and other dues by 31st December, 1984. As from 1st January, 1985, vigorous action will be taken to ensure that all government revenues are efficiently collected.

Sir Sydney referred to the visit of a World Bank mission earlier this year. He said that the mission assessed the State's economic performance and indicated it could not afford the direction in which it was going.

"This information was concealed from our people," the Governor General declared.

The Grenadines came in for some attention. Sir Sydney said the traditional grievances of the islands would be addressed and administrative arrangements would be put in hand to ensure the fulfillment of the wishes of

their people whose role in the revival of democracy in the nation had been so vital.

"My government," he added, "will also be seeking to build an airport in Bequia and will establish a Grenadines Development Corporation.

This would be in addition to the plan for an international airport on St. Vincent soon to be the subject of a World Bank feasibility study.

Sir Sydney said unemployment is the most serious problem in the State, especially among the youth and women of all ages.

The government planned to attract new investment with the improvement of the local investment climate; the income tax act will be revised, the "unprincipled taxation" on gross income will be lifted; private enterprise will be encouraged and a code on foreign investment be published.

Sir Sydney went on "Minimum wages will be improved. My government will encourage the growth of responsible trade unionism and will take steps to facilitate recognition to trade unions."

On tourism, Sir Sydney said every effort would be



made to halt the decline on tourism. The government will set about to make St. Vincent and the Grenadines more hospitable and to educate the people about tourism.

They had to appreciate, he said, that visitors need not come to this state and that the tourist was not responsible for its social ills.

#### Security, Trade Matters

Kingstown THE VINCENTIAN in English 3 Aug 84 p 1

[Text] Improving the lot of the police in St. Vincent and the Grenadines rather than spending on armaments is a goal of the Mitchell government, Parliament was told yesterday.

Speaking from the Throne in the traditional ceremony marking the opening of the Parliamentary session, Governor General Sir Sydney Gun Munro said the government recognised there was no military solution to the problems that caused unrest in the Caribbean.

He named poverty, lack of opportunity and frustration as these causes.

"Instead of using our scarce resources on armaments, my government will prefer to improve the working conditions of our policemen at home," the Governor General declared.

The government's priority in the Caribbean will be the re-vitalization of regional trade, Sir Sydney said, adding:

"We are concerned with the process of establishment of democracy in Grenada and will be prepared to cooperate with the people of Grenada in any new initiatives in this regard."

This was in the context of a pledge to work to help the democratic process elsewhere, particularly in the Caribbean, and a promise to advocate that Caricom countries exchange observers of the electoral process in each country.

CSO: 3298/1111

ST VINCENT AND THE GRENADINES

UPM WELCOMES MITCHELL STUDY ON FINANCING, DEBT

Kingstown THE VINCENTIAN in English 10 Aug 84 p 7

[Text] The United People's Movement which failed to win a seat in last month's general election has hailed the decision by Prime Minister James Mitchell to set up a committee to investigate the scale of public financing and debt.

But, according to a press release over the name of General Secretary Oscar Allen, UPM warned there must be no hidden agreements and that steps must be taken against the major actors if acts of fraud or serious misdemeanour involving state funds and assets are revealed.

"While we at the UPM do not countenance any witch-hunting and terrorising of workers," the statement emphasised, "we refuse to release high officials, statesmen and political leaders from accountability due to their misconduct."

The party release called for early legislation on integrity and morality in government, stating that when such laws are passed, it will be easier to keep government politicians on an honest path.

The UPM welcomed the decision to import milk products, but said this should be on a phased basis.

Extending a welcome to the new Prime Minister and his government, the release said that Mr. Mitchell and his colleagues had seen the mistakes of the former government and it was confident they would try to do better in their own interest.

The party saw evidence in the first week that the new government was eager to begin work.

CSO: 3298/1111

MITCHELL COURTS INDUSTRY, BUT BUSINESSMEN BALK

Proposal for Dialogue

Kingstown THE VINCENTIAN in English 24 Aug 84 p B

[Text]

Prime Minister Mitchell has invited the business community to consider the extension of private enterprise and the principles of private enterprise to employees. He urged the Chamber of Industry and Commerce on Tuesday to consider introducing commissions on sales to people working on sales in businesses.

Mr. Mitchell noted his government "will be very anxious to maintain dialogue at all times with the Chamber of Industry and Commerce and with all other organisations".

Such dialogue, he said, has got to be a continuing exercise and not a one shot business. It was his hope to have a consultative mechanism to deal with the problems as they emerged and to work together and solve them in the best interest of good government and the best interest of delivering the results to the people as a whole.

Mr. Mitchell explained that it was his government's desire to put out government's road work on contract rather than having it done by the Ministry of Communications and Works.

Such a move, he said, would lend itself to efficiency, particularly the use of tax-payers money and aid funds that come to us from tax-payers in other countries. "The employment generation should be left to the people who take on the contract so that they could in turn employ the people who are more efficient in getting the job done," the Prime Minister declared.

The public expects a lot from the Chamber. And government expects the private sector to get more involved in the industrialization of our country in taking advantage of the local market, the regional market and the facilities now offered under the Caribbean Basin Initiative, the Prime Minister said.

The Prime Minister noted that his government will be reappointing all statutory and state cooperations who will cooperate with government and who are competent to serve in that capacity. As a matter of policy, he said, no government minister will be appointed to serve on any such board.

He noted that he is establishing guidelines of principle. In that, any person appointed by him or by his ministers to fill any government position. If government loses confidence in such persons or is removed from parliament, that person who was appointed will automatically resign. He also outlined his fairness in the distribution of licences to the business sector and not remove it for friends and party supporters.

The Prime Minister ended by stating that he will do what he can do make sure that all people of St. Vincent and the Grenadines are properly informed about the nature of government problems so that they can put in their own diagnosis to the problem and solutions. He hoped that the kind of answers received will be ones that will meet genuine public approval. Also that the process of analysis will be done to the best of their ability so that together we can set the goals for the betterment of the country.

## Chamber Official's Complaint

Kingstown THE VINCENTIAN in English 24 Aug 84 p 3

[Text]

Business people in this country have grown fed-up, weary and disgusted with the contempt they were treated in the past, so said the president of the Chamber of Industry and Commerce, Arthur Connell when he spoke at a Chamber function on Tuesday at the Cecil Cyrus Squash Complex.

Mr. Connell noted; "In every country of the world the business community makes a substantial contribution to the governing and the running of a country. But here, the business community was looked down upon, frowned upon and regarded as dregs."

"If we had played the part or are responsible in bringing out such a result in the last elections, we make no apology for it, we suffer no compunction of the soul for what we have done and we confirm it", Mr. Connell said.

CSO: 3298/1111

CANADA OFFERS HYDROELECTRIC, OTHER ASSISTANCE

Kingstown THE VINCENTIAN in English 31 Aug 48 p 3

[Text]

The Canadian High Commissioner for the Eastern Caribbean, Mr. Noble E.C. Power, signed an agreement for EC\$18.4M (\$9.0m Canadian) with the Honourable Mr. James F. Mitchell, on August 22 covering Canadian technical and financial assistance to the Cumberland Hydro Electric Scheme.

The Project, which is a co-operative effort involving several donors, will include construction of three hydro electric power plants on the Cumberland river situated on the Leeward side of St. Vincent. It will also provide for rehabilitation of existing diesel generating plants, and construction of 25km of transmission lines.

This will provide an additional 3.3MW in generating capacity, sufficient to meet St. Vincent's energy requirements until 1994. Among the components which will be financed — all on a grant basis — by Canada are the provision of:

a) a 33KV transmission line from Cumberland to the Cane Hall generating station;

b) a telecommunications system to operate the water power stations;

c) approximately 6.5 km of pipeline of various sizes to supply water to the power houses;

d) overhead cranes at the power houses and gates to divert water away from the pipelines when necessary;

e) managerial services over four years to St. Vincent's Electricity Services Ltd. (VINLEC) to assist the corporation in its system rehabilitation programme and to provide advice in operations and maintenance.

The Cumberland Hydro project will be the biggest project receiving Canadian assistance in St. Vincent and the Grenadines and Canada will be among the largest contributors to the project. In addition, under

the World Bank's component for the Cumberland project, a Canadian firm,

Shawinigan Electric, will supervise all engineering and construction activities and a Canadian professional engineer will be project manager for the project on behalf of the Government of St. Vincent.

During his meetings with the Prime Minister, the High Commissioner reviewed other Canadian programmes of cooperation which are

underway or planned in St. Vincent and the Grenadines. These programmes include equipment and technical assistance to both Arnos Vale and Canouan airports under the Canada — Caribbean regional Airports Programme; on-going equipment and operational support to Kingstown port; proposed assistance with respect to a second Industrial Park; and comprehensive long term support to the fisheries and forestry conservation sectors. In addition, the High Commissioner announced projects to construct water tanks on several Grenadines islands, to set up a maritime Museum in Bequia, and to construct a Community Centre at Enham in cooperation with the Lion Club of St. Vincent.



## ST VINCENT AND THE GRENADINES

### BRIEFS

NEW CABINET SECRETARY--Kingstown, Aug 31, CANA--Anselma Soso, the first woman to hold such a post here, has been appointed cabinet secretary in the James Mitchell administration of St Vincent and the Grenadines, the government announced. Mrs Soso, who had been chief personnel officer since 1980, has also been appointed a permanent secretary. She will assume her new duties Monday. Soso takes over from James Pompey, who goes on pre-retirement leave tomorrow. [Text] [FL311546 Bridgetown CANA in English 1001 GMT 31 Aug 84]

THREAT TO FOREST--The Ministry of Trade, Industry and Agriculture has reported the existence of a dangerous situation in the Montreal Catchment Area. Banana farmers have encroached on the forest protection area, and cut down trees. This affects rain precipitation and endangers water supplies through seepage from poisonous chemicals used in spraying. The Ministry has called for an immediate halt to the cultivation of lands near the catchment area and plans to initiate a new afforestation programme. A release from the Ministry concludes: "This new Government is prepared to take whatever action is necessary to safeguard the health and well being of the inhabitants of this country." The release was issued after a visit to the Montreal Catchment Area by a team which included the Minister of Trade, Industry and Agriculture, Minister of State in the Ministry, the Chief Agricultural Officer, Deputy Chief Agricultural Officer, the Chief Surveyor, Manager of Central Water and Sewerage Authority and some Forest Officers. [Text] [Kingstown THE VINCENTIAN in English 31 Aug 84 p 1]

CSO: 3298/1112

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